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Employees at centre-stage : the impact of human resource practices on employee work experiences, attitudes and behaviour

Innocenti, Laura

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EMPLOYEES AT CENTRE-STAGE:
THE IMPACT OF HUMAN RESOURCE PRACTICES ON EMPLOYEE WORK EXPERIENCES, ATTITUDES AND BEHAVIOUR

LAURA INNOCENTI

Thesis Submitted for the Degree of Doctor of Philosophy

King's College
University of London

DECLARATION

This is to certify that the work presented in the thesis in only my own.

Laura Innocenti

Laura Innocenti

10th December 2007

ABSTRACT

Central to much of the contemporary HR literature is the idea that HR policies can significantly shape specific aspects of employee behaviour and there is a sizeable body of literature that confirms this relationship. Particularly important in this respect are studies that have highlighted the economic returns obtainable through high-performance or high-commitment HR practices. What has been far less prominent is an analysis that takes into account the influence that HR practices have on employees' experiences at work and the impact which these, in turn, have on outcomes that are relevant both to employees and to the organisation. Therefore, the main purpose of the study was to test the mediating effect of work experiences in the relationship between HR practices and employee attitudes and behaviour. Specifically, the model underpinning the research focused on the relationship between the following key components:

- A set of HR practices that have been shown in various studies on HRM systems to have a strong influence on organisational and employee outcomes (Huselid, 1995; Guest, 1999; Appelbaum et al, 2002);
- A set of employee work experiences (e.g. job control, perceived management support, job security) that previous research (Peccei, 2004) has revealed as likely to be affected by the set of HR practices and also likely to have an influence on employee related outcomes; and,
- A set of six main employee attitudes and behaviours (e.g. job satisfaction, organisational commitment, trust in management) that are of direct interest to both employees and their employing organisations and which have already been discussed in various other studies (Appelbaum et al., 2000; Guest, 2002; Godard, 2001).

The relationship between these three sets of factors was tested empirically using a sample of 1,747 employees from 12 Italian firms that varied greatly in terms of their size and the sectors in which they operated. Statistical analysis of the data

was carried out firstly at an individual level and then at an aggregate level, this latter based on the average results from each of five key occupational groups in each of the twelve organisations.

In general, the findings provided strong support for the idea that employee work experiences mediate the relationship between HR practices and employee attitudes and behaviour. This was true especially when the HR practices were taken as a whole, in which case full or partial mediation was found with all six outcomes at both aggregate and individual levels. The results were more mixed and complex when the focus was on the individual practices but, nevertheless, generally confirmed the main assumptions underpinning the research model.

ACKNOWLEDGMENTS

So many things have changed since I first started this project, both in my professional and personal life and its end represents a great opportunity for balance and acknowledgments.

I was drawn to this research by my professional experience, since at the time I was working full time at the Human Resource Department of an important Italian telecommunication company. My everyday experience with the adoption of Human Resource policies and practices stimulated my interest in understanding better whether and how these practices really affect employees. My interest in HR practices increased with time and led me to leave the company and join a consultancy firm whose core business is to help organisation to become a *great place to work*, mostly through the analysis of employees perception of the companies' initiatives on human resources management. So, *fil rouge* of my work life, Human Resource practices have accompanied me all throughout my own experiences and the knowledge and expertise acquired in doing the thesis have proved invaluable to my professional development.

Other important events have occurred since the beginning of this project that have enriched my life, but also brought new challenges and demands. Two little daughters, Irene and Agnese, are now part of my life, nice and demanding as any toddler should be.

So, it has been a long journey, definitely not a walk in the park, with few moments to rest and a lot of things to do. All along this project has been my travelling companion, sometimes a burden, many time a challenge, but always a source of learning.

I know I owe a lot to this project, but even more is what I owe to all the people who have made it possible. All my gratitude goes first of all to Professor Riccardo Peccei, who followed its development with immensurable patience. Anyone who has had the pleasure of being supervised by Riccardo knows just how valuable his suggestions always are. His vast knowledge of the topic accompanied by his natural attitude to encourage and sustain have been fundamental throughout the thesis. Without his professional and personal support I am sure I would have never finished this project, but more probably would never have even started it.

My thanks also go to the friends and now colleagues of Great Place to Work Institute Italia, Gilberto Dondè and Antonino Borgese. Their help has been fundamental twice. First at the beginning of the project when without even knowing me, they provided me with the opportunity to approach the companies which constitute my sample, making my fieldwork possible. And then again, towards the end when, despite many ongoing projects, they provided me with a period of sabbatical leave in order to finish the writing up of the thesis.

Finally, all my gratitude goes to my family, mostly to my husband Alberto. He shared with me every moment of my "thesis years" and it has been his unshakeable belief in my ability to accomplish this challenge that more than anything else supported me through the "thick and thin" of this PhD journey. I also thank my mother for patiently looking after my little daughters, better than I could ever have done.

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CHAPTER 1

INTRODUCTION

1.1 Statement of the Research problem

The latter part of the 20th century saw in-depth discussions among human resources (HR) researchers and practitioners on the nature of work and the changes taking place following the shift from an industrial to a post-industrial society, and the resultant far-reaching changes to production processes and private lives. The disappearance of the central role once played by many traditional manufacturing industries, the ongoing development of technology and the large increase in knowledge have been significant factors in this transformation, which is still underway (Cappelli, 1999; De Masi, 1986; Osterman, 1996; Pfeffer, 1998).

Within this scenario, the area of human resources has provoked deep concerns. As a number of commentators have noted, until recently employment relations had been characterised by a degree of stability, making it possible for both sides to invest in a lasting relationship, believing that the resulting exchange would be of mutual benefit (Heckscher, 1995). But this situation no longer holds. As argued by Cappelli (1999) for example, economic instability has brought new flexibility and dynamism to the labour market but has also made it more uncertain and fragmented, and both individuals and organisations have been affected by questions of mobility. The prior internalised employment practices, their assumption and their long-term commitments, are giving way to a negotiated relationship, where power shifts back and forth from employer to employee, following swings in labour market conditions. Even where the relationships remain long-term, there has been a fundamental change in their nature and they are now governed by the market rather than by internal administrative principles (Cappelli, 1999).

Companies naturally seek profit, success and stability. A reliable workforce is fundamental to this and organisations are therefore greatly concerned not to see its dependability becoming weakened. Hence comes their increasing concern over employee attitudes and behaviour, now recognised as factors which may inspire or jeopardise corporate success. With the awareness that an organisation's prosperity is increasingly dependent on the availability of a pool of highly motivated, highly committed personnel, human resource management (HRM) has become of growing importance in pursuing business goals and organisations are being induced to pay ever more attention to their employees (Appelbaum, Bailey, Berg and Kalleberg, 2000; Osterman, 1996; Ulrich, 1998).

This has led to it being increasingly common for considerable investment to be made in often elaborate HR practices and systems such as sophisticated techniques for performance evaluation or complex skill-mapping systems. These investments are made in the legitimate belief that they will have a bearing on company performance and much has been written about this phenomenon (Huselid, 1995; MacDuffie, 1995; Pfeffer, 1998). There are companies that set up complex, elaborate systems for human resource management, while others focus only on a part of them or on specific factors, while still others invest chiefly in establishing a particular corporate culture. Each of these approaches may have its strong points, when taken individually or in combination with others. As a number of commentators have noted, however, the results do not always meet expectations (Guest, 1997, Purcell, 1999). Moreover, companies often find that, despite bringing in the very latest HRM systems or instilling strong, driving corporate values, their best employees continue to be lured by pastures new and leave, or their performance falls well short of expectations (Cappelli, 1999; Gilioli, 2001; Heckscher, 1995).

This means that although we know that employee experiences are affected by a number of different factors, some related to their company HR system, some to the organisational climate, others to intangibles, there is still a considerable gap in our understanding of the relationships between company HR strategies and the way individuals behave and perform at work (Purcell, Kinnie, Hutchinson, Rayton and

Swart, 2003). We therefore need to gain the ability to identify the key elements in the way individuals appraise their working situation. Only then will we reliably be able to determine the most effective conditions for maximising employer-employee relationships and thus how to optimise the investment of time, money and effort in HRM (Combs, Liu, Hall, and Ketchen, 2006).

The gap in our knowledge reflects the limited amount of research that has taken into account both the influence of HR practices on employee work experiences and the impact of those experiences on key attitudinal and behavioural outcomes of relevance not just to the employees themselves, but also to their organisations. Indeed, whether employees and employers end up benefiting from any new relationship depends on how well the latter can adapt to changing conditions and how successful they are in retaining key workers, and in boosting commitment and satisfaction amongst their staff, despite today's much more open and fluid labour market.

The present research was explicitly motivated by a desire to contribute to gaining a better understanding of how HR practices affect employees' work experiences and how these, in turn, affect a number of employee outcomes which are also of importance to their employers. In so doing it is hoped that the research will contribute to address an important gap in knowledge within the field of HRM.

1.2 Objectives of this Study

Central to much contemporary HRM work is the idea that HR policies and practices significantly shape various aspects of organisational performance, a stance that has been substantiated by a considerable body of research. Notable support has come from a range of early studies, performed either in a single industry or across a range of industries, which have shown a positive link between a variety of both financial and non-financial measures of performance (e.g. ROI, productivity, retention) and the implementation of what are usually referred to as high-involvement, high-performance or high-commitment HR practices (Appelbaum et al., 2000; Arthur, 1992; Huselid, 1995; Ichniowski, Shaw and Prennushi, 1995; MacDuffie 1995).

These results have received additional confirmation in a series of recent cross-sectional and longitudinal studies demonstrating a clear positive link, after controlling for factors such as size, sector and past profits, between the adoption of a range of progressive HR practices and key aspects of the economic and financial performance of the organisations (Batt, 2002; Boselie, Dietz and Boon, 2005; Guest, Michie, Conway and Sheehan, 2003).

Alongside the stream of research focusing on the positive impact of HR practices on organisational performance there is another approach that focuses more specifically on employees outcomes and spotlights the need to pay more systematic attention to the effects that HR practices have on employee related outcomes. This more explicit focus on employees, it is suggested is important not only in its own right, but also as a way of beginning to unpack the "black box" linking HRM and performance, thereby gaining a better understanding of how HR practices may have a positive impact on key aspects of the financial or non financial organisational effectiveness (Appelbaum et al., 2000; Godard, 2000; Guest, 1997; Guest 1999; Huselid, 1995; Paauwe and Richardson 1997). As Guest (2000) has pivotally stated, this means bringing the worker centre stage in HRM analysis and study, shifting attention from the simple relationship between HR practices and corporate performance to a broader one which embraces HR practices, employees' attitudes, perceptions and related outcomes.

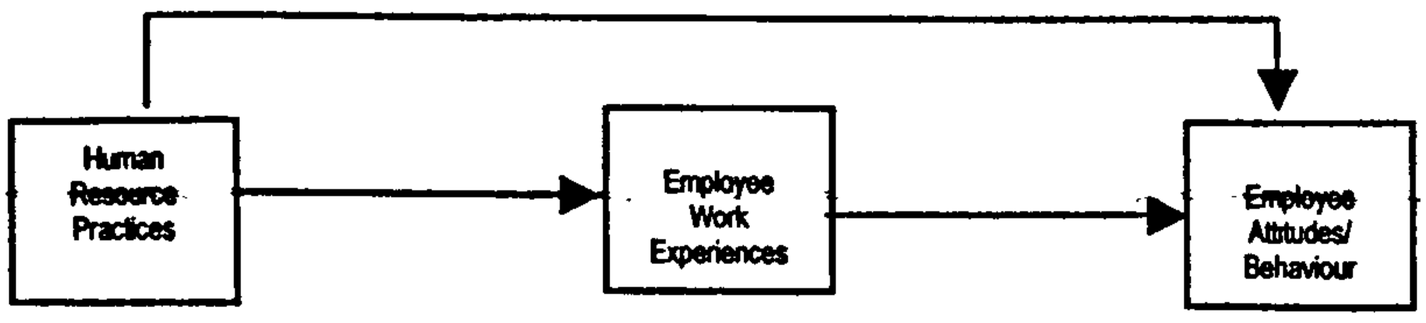
Although this stream initially inspired less interest among researchers, the few studies so far conducted have given results of great consequence and have stimulated further work (Appelbaum et al., 2001, Godard, 2001; Guest, 2000, Guest, 2001; Peccei, 2004; Purcell et al., 2003; Ramsay, Scholarios, and Harley, 2000; Tsui, Pearce, and Tripoli, 1997). We now have evidence that employee attitudes and behaviour do indeed mediate the HRM-performance relationship and that although certain HR practices have a positive impact on employees, enhancing their satisfaction and productivity, others appear to lead to higher levels of stress and lower levels of well-being (Godard, 2000; Guest, 2000; Ramsay et al., 2000). Therefore it has become vital to understand which are the "good" HR practices, from the point of view of both employers and employees

As a consequence my objective in the present research was to assess the impact of a set of leading HR practices on several key employee outcomes, as this may operate through the mediating effect of employee work experiences. To this end, I first developed a model of the relationship between HR practices, employee work experiences and employee outcomes and then tested the model on a sample of over 1,700 employees from twelve Italian organisations operating in a variety of different sectors of the economy.

A schematic representation of the essence of our model is shown in Figure 1.1. Following Peccei (2004), this model is underpinned by three leading hypotheses:

- first, it is assumed that HR practices have an impact on employee attitudes and behaviour at work;
- second, it is assumed that the core mechanism through which these effects occur is employee work experiences, it is these experiences that mediate the impact of HR practices on employee attitudes and behaviour;
- finally, it is also recognised that there may be other mechanisms through which HR practices may affect employee attitudes and behaviour. To the extent that these other mechanisms are operative and effective, we also expect HR practices to have a direct impact on attitudes and behaviour over and above the impact they may have through their effects on work experiences.

Figure 1.1. Schematic representation of the main research model



Hence, the first component of the model comprised a range of core HR practices commonly associated with High Performance/High Commitment HR systems. These covered key personnel-orientated practices in the areas of selection, socialisation, training and development, appraisals, contingent compensation, recognition, job design and autonomy, information sharing and employment security. Such practices are those identified by Bailey (1993), Guest (1999; 2001) and Boxall and Purcell (2003) as the essential building blocks for improving employee skills, motivation and empowerment.

The second component of the model was composed of a number of key work experiences and job characteristics, as perceived by employees, which could be influenced by the HR practices and which, in turn, could influence employees' attitudes and behaviour at work. The specific work experiences chosen related to perceptions of management support, rewards equity, job complexity, job discretion and job security. These are all factors commonly recognised in the organisational behaviour literature as central to an understanding of a broad range of fundamental workplace attitudes and behaviours (Brief, 1997; Meyer and Allen, 1997; Peccei, 2004).

The third element of the model consisted of the employee outcomes considered as most likely to be affected by the work experiences chosen. These attitudinal and behavioural outcomes selected for the study were ones that are of direct relevance to employees but also of considerable interest to organisations. The specific outcomes involved included employee Job satisfaction, Organisational Commitment, Trust in management, Intention to stay, In-role performance and Innovative behaviour (IB)/ Organisational Citizenship Behaviour (OCB). Importantly, the employee outcomes covered in the research were not only broadly based, but have also been used in a number of earlier studies (Appelbaum et al. 2000; Godard, 2001; Guest and Conway, 1999; Guest, 2000).

1.3 Research design

The research involved the collection and analysis of both quantitative and qualitative data.

The quantitative study comprised a structured survey of 1,747 employees working in twelve Italian organisations of considerably different sizes and spanning a broad range of operational sectors.

Access to these companies was facilitated by cooperation with the Italian branch of Great Place to Work, a research institute that carries out annual surveys to single out those companies with the most positive organisational climates, as adjudged by their workforces.

This element of the research involved two questionnaires, one for completion by employees and the other directed at senior HR managers, one from each organisation. This approach, using joint information sources, was adopted in order to enhance the validity and the precision of the measures used to assess the effect of HRM on employees. In fact, the information requested from each of the two sources was clearly differentiated, and care was taken to ensure that respondents were asked only for relevant particulars. Given the broad consensus on the potentially differential application of corporate HR policies to different groups within the organisation (Lepak and Snell, 1999), the questions directed at HR managers asked them to describe the HR practices adopted by their company and to state, as far as possible, to which employee groups each was applied. Employees, on the other hand, were asked questions solely about a range of work experiences unequivocally linked to their own company's HR practices, with additional questions on outcomes designed to elicit relevant information on key aspects of their attitudes and behaviour at work.

The employee sample was designed to be representative of the overall population in each organisation. The companies themselves chose which employees would receive questionnaires, working within sampling parameters laid down by myself. Employees responded on a voluntary basis, returning their completed questionnaires to their HR

department. The overall response rate of 62.2% was high and compares favourably with that of other surveys (e.g. Guest, 2000; Godard, 2001).

The qualitative work involved interviews with HR managers, directed at gaining a fuller understanding of each organisation and its HR practices, and also at checking the accuracy and reliability of the information given in the questionnaires.

Statistical analysis was carried out at both individual and aggregate levels, the aggregate level data being averaged across each occupational group in each organisation. This form of multi-level approach is one that is gaining increasing endorsement by HRM analysts (Smithey Fulmer, Gerhart and Scott, 2003; Ostroff and Bowen, 2000) and was explicitly adopted in the present case because it enabled me to look systematically at the extent to which the individual and aggregate level results tallied (Smithey Fulmer, Gerhart and Scott, 2003).

1.4 Structure of the Thesis

The structure of the thesis and the key elements of each of its chapters are outlined below.

Chapter 2 provides necessary background information on Italy, the country in which the research took place. It gives a broad-based overview of the country's economy and its strengths and weaknesses, with emphasis on the socio-economic aspects most greatly influencing how companies manage their workforce. The leading aspects of the Italian employment relations and labour market are also sketched-out, most notably those deriving from recent changes in national employment legislation. The chapter then moves on to summarise recent relevant Italian HRM work, drawing from studies appearing in the leading Italian HRM journals and the most significant books on the subject published over the last five years.

Chapter 3 examines the theoretical perspectives underlying the development of Human Resource Management. It first looks at the foundations of HRM as a field of study and introduces the various theoretical streams that forged its development. It

then reviews the two main streams in current HRM research, as defined by Wright and Boswell (2002): the macro/strategic approach and the micro/functional approach and discusses some of the inconsistencies associated with each of these approaches. The chapter concludes by describing the study's prospective contribution to the body of HRM research.

Chapter 4 presents the conceptual model used in the study. It starts by summarising relevant HRM research to date, concentrating primarily on that with the greatest influence on the development of the conceptual model used. It next describes the conceptual model itself, and the mechanisms it tests, i.e. the effects of HR practices on employee work experiences and the impact of those experiences on work-related employees attitudes and behaviour. Each of the variables employed is examined in detail and the main hypotheses involved in the model are presented and discussed.

Chapter 5 describes the procedures used in testing the conceptual model, including the research design, the units of analysis used, the information sources, the methods of data collection, the sample and response rates. It also provides an explanation of the development of both sets of survey tools, those for the employees and those for the HR managers.

Chapter 6 gives a full description of the steps used to operationalise all components of the conceptual model at both individual and aggregate level. It goes on with a comparative look at the twelve companies, in terms of their HR practices, their employees' work experiences and these same employees' attitudes and behaviour, mean scores being used to effect the comparisons. It concludes with a detailed overview of the twelve organisations surveyed describing, for each, its field of activity and, pivotally, its attitudes towards its workforce.

Chapter 7 presents individual level results, those deriving from analysis of data from the 1,747 employees surveyed. It first details the analysis methods adopted and describes the additional variables created in order to carry out the detailed analysis at the individual level. It then presents and discusses the results of the analysis itself,

starting from the more general findings, in the form of a comprehensive overview of the major links found between the variables examined, to the more specific results for each of the model's six outcomes.

Chapter 8 presents and discusses the results of the aggregate-level of analysis based on aggregating the data across occupational group in each organisation and using the resulting 58 occupational groups as the basic unit of analysis. Brief descriptions of the analysis procedures used and the specific variables adopted are provided. The more general findings are presented first, supplying an overview of the major links found between the variables under examination. This is followed by the more detailed results. Comparisons with the individual level results are provided throughout.

The conclusions of the study are presented in Chapter 9. The chapter starts by reviewing the main characteristics of the sample in order to facilitate the interpretation of the findings. Next it discusses the results relating to the direct impact of the HR practices on the outcomes, our first assumption being that such effects do exist. The central part of the chapter is then dedicated to a consideration of the mediating role of work experiences, the area of our other two assumptions. Then follows an in-depth analysis of all intermediate effects found. Comparisons between the aggregate- and individual-level results are given, and reference is made to related results from other studies. The chapter then moves on to discuss the study's contribution to the existing body of HRM research. In the process it highlights a number of relevant methodological issues and limitations, and examines the leading policy implications of the findings. The chapter concludes by suggesting some important directions for future research.

CHAPTER 2

AN OVERVIEW OF THE ITALIAN ECONOMY, LABOUR MARKET, AND ITALIAN HRM RESEARCH

2.1 Introduction

I conducted my research in Italy and therefore believe that a general, broad-based overview of the country's economy, its strengths and weaknesses, is an essential precursor to the project, especially in view of the major influence certain socio-economic aspects have on the way companies manage their workforce. In fact, the economic context strongly influences the way in which Companies manage their employees and so colours their feelings on their work experiences. This overview, taken from an internal and an external perspective, forms the first part of this chapter.

I then move on to look at the main aspects of the Italian employment relations system and labour market which have had a significant effect on employer-employee relationships, with particular emphasis on those due to recent changes in employment legislation.

Since the present study is necessarily related to and has implications for current HR research work in Italy, both as it affects practitioners and academics, the chapter closes with a summary of recent Italian HRM studies on topics relevant to the present analysis. The summary is drawn from work appearing in the leading Italian HR journals and the most significant books on the subject published over the last five years.

2.2 Strengths and weaknesses of the Italian economic model

I have drawn a summary of the major characteristics of the Italian economic model from two distinct but complementary sources, CENSIS (the Centre for Social Studies and Policies) and the Osservatorio permanente sull'Attrattività del Sistema Paese (the

Permanent Observatory on the Attractiveness of Italy's Economic Model) which is backed by the *Fondazione Italiana Accenture* and Milan's Bocconi University. CENSIS looks at Italy's socio-economic situation from an internal perspective while the Permanent Observatory is concerned with the appeal of the country to those outside it.

CENSIS carries out an annual socio-economic analysis of Italy which thereby allows an ongoing evaluation of changes in the country's social and productive framework. The reports covering the period of my research (CENSIS, 2003 and 2004) detail that Italy's socio-economic climate has been changing for the better over the last few years, with a ripple-out effect that has brought surprising vigour. The reports note that the change is not great enough to be described as a fundamental swing but that nevertheless its existence is pervading the country in various ways.

In the business world new companies continue to grow and small companies continue to proliferate. These latter often established with the involvement of multi-ethnic entrepreneurs from outside the European Union, and therefore are bringing a positive knock-on effect on social integration. At the same time Italy's middle-sized enterprises are gaining in importance and visibility on the international stage, and in this there is clear evidence that families are investing in their own companies once more. In addition, the multi-centric fabric of cooperative enterprises is strengthening and becoming surprisingly competitive. On top of this is an upswing in advertising expenditure (the traditional precursor of recovery) and a trend towards growth in consumption.

CENSIS goes on to state that Italy's financial system, having undergone major modifications, is now moving closer to those of other advanced countries. Additionally, Italian banks are seeing a period of strong internal competition while starting to expand onto foreign markets. There are also rapid developments taking place in the insurance sector, both in terms of demand and what it has to offer.

The reports (CENSIS, 2003 and 2004) do not gloss over the still-prevalent negative aspects of the country which put a brake on its development: the continuing presence of organised crime and fear of terrorist attacks; the problems many families have in making ends meet; worries about unemployment and the insecurity of the job market for the young and the country's inadequate infrastructure and logistical network.

Yet, there is a sense in which these much-quoted weaknesses have become almost as stereotyped as real and, comfortingly, collective culture has avoided letting them trap it into negativity and resignation. Instead it is reacting to the ripples of vitality and has taken up the mindset that Italy is on the threshold of significant change for the better.

Many of the themes explored by CENSIS are also taken up by the Permanent Observatory which, at the time the present survey took place, carried out a quantitative study of how attractive Italy has appeared to those businesses, both Italian and foreign, operating in the country (Fondazione Italiana Accenture, 2004). Over 300 businessmen/managers were surveyed by postal questionnaire and 35 top managers of leading Companies and Institutions were interviewed.

The country's greatest strengths emerged as those with which it has been traditionally associated. Italy is still considered a country with a high quality of life and a strong sense of well-being. This makes it a desirable market, especially for premium-price, stylish goods. These conclusions are in accord with those of CENSIS (2004) which comments that Italians have not lost their desire to consume, it is simply that the international economic situation is currently preventing them from fulfilling that desire. The Permanent Observatory also reveals that Italy is perceived as having adequate macroeconomic and social stability, despite growing tensions, and this increases its appeal to large multinationals.

Italian labour costs may not be competitive in a worldwide sense but are relatively low when compared with those of other Western European countries. In addition, its basic culture and education system are good, especially at middle- and high-school levels. Thus Italy can provide plentiful top-quality human resources. There is, though,

a lack of cooperation between business and research institutes, universities in particular. Despite the existence of some universities that are undisputed international centres of excellence most have only sparse relations with business and industry. This is symptomatic of a rooted separation between academics and practitioners in practically all fields of enterprise (CENSIS, 2003; Fondazione Italiana Accenture, 2004).

Italy's government, however, is perceived as inefficient and excessively bureaucratic, leading to increased indirect costs for those setting up new businesses. Measures, including fiscal reform and reform of the labour market and corporate governance, aimed at improving the competitiveness of the Italian economy have taken place only recently, and are intended to bring significant improvements (Fondazione Italiana Accenture, 2004).

According to CENSIS (2003, 2004), the large number of companies which are now taking on the challenges of globalisation forms a significant indicator of the direction the country is taking. For years Italian businessmen have tended to stand on the sidelines and merely watch global developments, now they finally seem to have realised that they must move up onto the global stage or be condemned to remain outsiders for ever more. Large numbers of them are therefore at last expanding their horizons, through a wide range of strategies, and can be found dotted all over the place. Some are broadening their product range and the range of markets in which they have a presence; some are concentrating on niche markets, targeting wealthier clients; others are focusing on diversifying their means of market penetration and on establishing thousands of commercial outlets of various sizes. The 2003 report states that Italian entrepreneurs seem determined to exploit the opportunities given by the contemporaneous presence of myriad small, niche enterprises and a thousand or so middle-sized quality-orientated companies, these latter taking on an international status that strongly outweighs their position and image in Italy.

The country's business scene is still overwhelmingly dominated by companies with no more than 10 employees. In 2001 these numbered 3.8 million, accounting for 95%

of all businesses (CENSIS, 2003 and 2004). Moreover, most are family controlled and managed. The normal pattern is for a company to be set up by one family which then passes it on from generation to generation. This contrasts with other European countries where it is more normal to have outside shareholders, even with small companies, who can exert their influence on management, as may the demands of the stock market. Even when an Italian company goes public, control rarely moves from the family that owns it, which contrasts strongly with the situation in the U.K and U.S.A. Having ownership and management in the same hands can be a point of strength for a small enterprise but often becomes problematic as the company grows (Signorini and Visco, 2002).

In conclusion, both CENSIS and the Permanent Observatory note that Italy's production system is undergoing structural changes. The challenge facing Italian enterprises is to retain competitiveness while adjusting to the demands of the worldwide economy. If they are to succeed they must work to a rational plan and will need to build in added value while maintaining their traditional plus-points.

At this point, it is worth summarising the main developments in the Italian system of employment relations and collective bargaining over the last 30 years, as this is fundamental to understanding the overall Italian economic situation.

2.3 Employment relations and collective bargaining

In outlining the changes that Italian labour relations have undergone since the massive strike wave of 1969, the period known as the "hot autumn", it is probably useful to consider them in terms of the five phases identified by Nacamulli (1992):

1. the revolutionary changes following the "hot autumn" (1969-1972);
2. the reorganization of worker representation (1972-1976);
3. the upheaval in the system (1976-1978);
4. the arrival of new collective interests and identities (1978-1985);
5. the restructuring of the system (1985-2000).

The years from 1969 to 1972 saw increasing levels of power and initiative among the trades unions and the burgeoning of a new collective identity. The unions also started to gain greater autonomy from the political parties that had spawned them. They ceased being the "transmission belt" of one or another political faction and took on a more independent role, at times even going against the party line. This moved hand in hand with a progressive unification of the three leading trades union confederations: CGIL (Confederazione Generale Italiana del Lavoro), CISL (Confederazione Italiana Sindacati Lavoratori) UIL (Unione Italiana del Lavoro). The period also saw a significant increase in the types of disputes enacted by labour, including not only general strikes, but also sit-ins, go-slows and various forms of stop-go and staggered official and unofficial strikes. In general, the climate of industrial relations in the years immediately following the hot autumn is best characterised as one of hostile confrontation between management and labour, accompanied by a radical change in the balance of power as unions moved from a position of weakness to one of great strength in Italy (Boldizzoni, 2003; Nacamulli, 1992).

The period between 1972 and 1976 saw the expansion and development of worker representation at shopfloor level, with union membership growing to significant levels. By 1974, the increase in union membership over 1969 had reached 50%, and, overall, 40% of Italian workers were unionised. During this period, however, certain tensions also started to emerge within the trade union movement. In particular, growing divergences appeared between the three main trade union confederations and some of the more radical affiliated industry-level union federations which, in a number of key sectors, such as metalworking, become particularly acute (Boldizzoni, 2003; Nacamulli, 1992).

By 1976 the development of worker representation and the trade union movement more generally began to enter a critical period, partly caused by growing inflation and the crisis in the Italian economic system. In particular, the considerable autonomy that the unions had enjoyed diminished as political parties intervened ever more directly in labour disputes. The tensions between the major confederations became more overt and the concept of worker unity that had flourished in 1969-1972 seemed a distant

memory. Meanwhile the influence of the autonomous unions (those not affiliated to the three main confederations) increased, both in sectors such as transport and banking, and in traditionally non-unionised spheres such as middle management (Boldizzoni, 2003; Nacamulli, 1992).

Then, in the years between 1978 and 1985, there arose a new balance of power between management and labour. As mass unionism weakened and fell into crisis there was a corresponding upswing in employer initiatives designed to reestablish managerial prerogative and regain the upper hand on the shopfloor. It was Fiat that set off this major turn-around with the "march of the 40,000". This saw department heads, office staff and manual workers demonstrating on the streets of Turin under the banner, "Let us get back to work" (Boldizzoni, Nacamulli, and Turati, 1996). Initially managerial initiatives in this period took the form of what came to be known as internal relations, i.e. the development of direct channels of downward communications from the top management of company to middle management and department heads and, from there, to the rest of the staff. Internal relations policies and practices spread to most of the larger Italian companies as they sought to fill the communications void generated by the continuing, ever-deepening crisis of legitimacy and representativeness faced by the unions (Boldizzoni, 2003; Nacamulli, 1992).

The period between 1985 and 2000 brought signs of major changes in the industrial relations systems. The focus of collective bargaining moved from manufacturing to service industries and from private undertakings to the public sector. There was a move towards regulation of collective contracts; and the welfare state was slimmed down. One particular aspect was that government and businesses agreed to negotiate only with the unions in the three major confederations in exchange for a greater say in defining the new rules of labour relations.

The tendency towards less popular consensus for trades unionism has continued in the new millennium, to the extent that some recent commentators, such as Persiani

(2002:120), have argued that "union representation in its traditional sense has now outlived its historical function".

Nevertheless, over the last half-century, worker representation has brought numerous major benefits to a large part of the Italian workforce and made a significant contribution to improving its working conditions. One of the aspects of most consequence has clearly been the continued commitment to collective bargaining, the main aim of which has been to fix a set of rules underlying individual work relationships, thereby helping to protect and enhance workers' terms and conditions of employment (Persiani, 2002).

Collective bargaining in the Italian private sector takes place at various levels. The first is that of the confederations which stipulate general national contracts involving the overwhelming mass of workers, irrespective of their production sector. These cover specific matters such as group redundancy and contingency payments. The next level is that of the federations, which stipulate national collective contracts for the particular industrial sector or category of workers they represent. These contract comprise a detailed, comprehensive, set of regulations covering a range of different aspects of the employment relationship. The third level is that of company contracts which deal with more specific terms and conditions of employment (Persiani, 2002).

Collective contracts initially controlled only one aspect of the working relationship, that of pay. As time went on, though, and union power increased, the contracts expanded to lay down rules for every single aspect of the employment relationship, from its creation to its conclusion. Non-financial aspects are currently agreed for a four-year term while agreements on pay have to be renewed every two years to ensure that the purchasing power of salaries is not reduced (Persiani, 2002; Santoro-Passarelli, 2002).

Collective bargaining has also always had a further function of considerable relevance, that of determining employment or occupational categories and, from there, what is demanded of each worker (Biagi and Tiraboschi, 2003). The law,

article 2095 of the Civil Code (1948), lays down three specific occupational categories, which are also adopted and specified in collective contracts. These are *operai* (equivalent to production workers), *impiegati* (clerical/administrative employees) and *dirigenti* (senior managers/executives). Law 190\1985 then added the category of *quadri* (middle managers and professional). As is explained more fully in later chapters, I used this categorisation as the basis for distinguishing the main occupational groups I examined as part of my own research. *Dirigenti* are considered the alter ego of the entrepreneur: they direct a business or a leading, independent branch of it, and have complete autonomy in doing so, thereby guiding the general direction of the business. A *quadro* is defined as an employee who does not have *dirigente* status but continuously carries out functions of significant importance to the development and fulfilment of corporate objectives. The definition thereby includes those normally defined as middle managers, i.e. those who primarily control and coordinate other workers, and those normally defined as specialists and professionals, i.e. those who have particular technical skills and primarily initiate, plan and manage services. *Impiegati* are those who carry out clerical activities involving concepts, liaison and administration. The Italian system does not provide an explicit definition of *operaio*. However this can be deduced by elimination: the work of *operai* involves tasks which do not fit into the type of work carried out by *impiegati*, even though they may involve intellect, initiative and some autonomy in decision-making (Biagi and Tiraboschi, 2003).

Against this background, I now take a more detailed look at the main characteristics of the Italian labour market.

2.4 The Italian labour market

Recent years have seen a small rise in the employment rate suggesting that the Italian economy is slowly regaining an ability to drive social growth. There are, though, a number of problems still to be overcome, most significantly those concerned with contract terms and location (CENSIS, 2004).

In 2002-2003 the majority of those entering the job market (66.1%) did so on flexible terms: either on fixed-term contracts (44.1%), seasonal contracts (10.2%) or training or work apprenticeship schemes (11.8%), while only 33,9% of people entering the job market had an open-term contract (CENSIS, 2004). This marks a notable change from the traditional situation where job contracts were nearly always permanent in nature. The result has been a widespread sensation of insecurity and uncertainty among job seekers. To understand the depth of these concerns it should be emphasised that the secure *posto fisso*, the "fixed position" or job for life: five-days-a-week, permanent employment with protection against dismissal, has long been deeply rooted in the Italian mindset as the only feasible work model for themselves and their children (Giovannetti, 2000).

It was the recent reform of the labour market, the Biagi law of 2002, that set off the move towards more fluid working patterns, bringing greater flexibility to the job market and leading to a clear upward trend in employment figures, albeit with an increase in shorter term contracts.

Geographical distortions in the job market derive from the start of the so-called "economic miracle" in the early 1950s. This led to a large population drift from rural Italy to the newly industrialised cities of the north which promised considerably higher earnings - which has continued ever since. Indeed, also the last few years have seen an increase in population flows from the poorer south of Italy to the more prosperous central and northern areas.

In the period under consideration the proportion of population movements emanating from the south increased by 3%, from 41.9% to 44.8%. In 2002, only 14% of southern Italians who relocated to a different region remained in the south; 26% moved to the centre and 60% to the north (CENSIS, 2004).

The increase in employment rates, again for 2002, was greater for women than for men with 8.783 million women in employment (a 1% increase) and 13.622 million men (up 0.6%). In central Italy the difference was more marked with a rise of 3.8%

for the women and 1.6% for the men, while in the northeast there was an increase of 0.1% in female employment but a decrease of 0.3% for men. The increase in female employment in the northwest (0.8%) was actually less than that for men (1.6%) whereas in the south employment declined for both sexes but less so for women (-0.2%) than men (-0.5%) (CENSIS, 2004).

All these ongoing complexities and uncertainties now form a major part of the thinking behind company employment strategies. CENSIS (2004) has shown how unprecedented attention is now being given over the past few years by Italian companies to employees as intangible assets, with far greater importance being placed on personnel management.

One result of this is that one of the few managerial positions to show a significant increase (+63%) in the hiring intentions of Italian companies is that of head of Human Resources. Another is a wide-ranging reassessment of the responsibilities of the HR department, especially in regard to personnel recruitment and selection, development of employee skills, work organisation, incentives and assessment mechanisms. It is no longer only large companies which have a HR department although, as our survey reveals, those in smaller companies tend to have a narrower field of operations.

All this means that HR departments in Italy are taking on an ever more important role in realising the potential of the country's workforce. This means that the debate now has to focus on their function, and this can be understood more clearly by a look at the existing body of Italian HRM research work.

2.4 The directions taken by Italian HRM research

Any research project will naturally be moulded to some degree by the environment in which it takes place. Since the present survey took place in Italy and the respondents, both employees and HR managers, were Italian, it might be useful to summarise what has already been published in the country on the relationship between HR policies and both organisational performance and employee attitudes and behaviour. This is, though, not as easy as it might at first seem since, "sufficiently structured work on

HRM in the national literature does not exist" (Nosella, Petroni e Verbano, 2003:102).

Instead, therefore, this section simply highlight a few points from the most relevant work, that concentrating primarily on management policies or human resources, appearing in the main Italian HR journals and from the most significant books on the subject published over the last five years.

The first of these is Boldizzoni and Manzolini (2000) who assert that there is a need in Italy, as elsewhere, to find ways of aligning theories and policies on the relationships between employees and organisations to the profound changes that have taken place in society and the economy over recent years. The theories, they say, involve a generic but superficial recognition of human resources as an important strategic variable in creating competitive advantage, while the policies often involve ephemeral formulas and methods which leave companies with increasing difficulties in finding a coherent pathway through the demands of strategy, structure and personnel management.

They also note a considerable flattening and homogeneity in the HR policies applied which, they comment, are used not so much to bring about an undertaking's strategic requirements or for specific cultural or organisational ends, but to foster ideas of modernity, be they real or presumed, or to imitate experiences realised in other contexts.

The book details a study on developments in personnel management involving approximately 100 Italian companies. The relevance of the work perhaps lies less in its results than in having assembled such a large and comprehensive sample of Italian HR Directors. The research shows that, despite strategic aims being based on effectiveness and innovation, the tangible objectives set for HR Directors are still based on prudence and tradition. Those wanting to put in place policies that are more proactive, more rational and more relevant to businesses coping with ever greater

degrees of innovation and change, still find themselves coming up against numerous obstacles.

Further confirmation of the distance between company strategies and HR policies and practices is provided by findings from internal customers of the HR function, who felt the gap to be even greater than that expressed by the HR Directors.

Hence the study reveals the widespread need among HR Departments for management policies to be more effective and aligned more closely with corporate business strategies. It did not, though, investigate the perceptions of HR Directors on the usefulness of the practices in place, either as regards corporate results in general or in terms of fostering positive organisational outcomes or more favourable employee attitudes and behaviour. The survey was therefore unable to provide a measure of any relationship between the adoption of HR practices and expected or desired outcomes.

Numerous publications and various books (Boldizzoni, 2003; Capelli, 2000; Capucci, 1999, Falcinelli, 2000; Imperatori, 2003) agree on the importance of changing the operation of the HR Department especially as regards management practices and systems.

Of particular relevance here is Protasoni's survey (2003) on people strategy, i.e. the ways of harnessing a company's employees to bring it success. This was based on a sample of 32 Italian and international companies. Protasoni sees people strategy as the means of ensuring that organisational behaviour becomes aligned with the fundamental factors needed to reach corporate success, a prerequisite being a firm link between organisational behaviour and HR policies and practices.

In this the study follows strategic HRM thinking, most notably the contingency approach as espoused by Becker and Gerhart (1996) and others, in its approach and content, although there is no reference to this in the text.

The work goes on to discuss three supposedly key components of people strategy: policies, projects and daily practices. The policies involved follow those examined in the leading HRM studies, comprising selection and induction, training and development, mobility and career progress, reward systems, internal communications and industrial relations. Projects relate to the growing importance of specifically aimed initiatives, i.e. schemes directed at changing one particular aspect of organisational behaviour in order to develop or improve one precise aspect of collective performance. But it is the daily practices that give clear expression, explicit and implicit, to a people strategy: these are the actions and decisions that employees feel "on their skin" (p.43) and interpret as what the company really wants from them.

The concept of daily practices is not dissimilar from that of climate discussed by Bowen and Ostroff (2004:204) who state that, "HRM systems influence employee attitudes and behaviour, as well as organisational outcomes, through employee interpretation of the work climate". Climate here is what people see and report happening to them as they make sense of their environment (Schneider, 1990; Schneider et al, 2002).

One substantive distinction between Bowen and Ostroff's approach, which is also followed in the present study, and that of Protasoni was in the role given to climate/daily practices. Bowen and Ostroff's (2004) work was prompted by their interest in understanding the mechanisms through which HR practices influence employee attitudes and behaviour and the authors saw climate as having a mediating effect between the two. Protasoni, on the other hand, saw daily practices as one of the three levers, alongside HR policies and projects, acting on organisational behaviour, without being greatly concerned about the way this occurs.

In any event, it seems beyond dispute that in Italy, as elsewhere, the role of HR Director, "is evolving from that of a manager of resources to a manager of processes for generating certain types of behaviour" (Cerqui, 1999:241). This involves inducing employees to behave in line with company values whilst upholding their individuality and avoiding pigeon-holing.

Cerqui (1999) considers that this entails a challenge for personnel management that needs to be overcome once and for all: that of quantifying and measuring the phenomena. If human resources really do form the basic source of competitive advantage then it becomes essential to be able to, "measure motivation and people satisfaction, quantify behaviour, not accept that what is soft is necessarily subjective and indeterminate" (p.243). Here, hence, there is the exhortation for empirical work to measure the effects of certain HR practices on particular types of employee attitudes and behaviour – which is what the present study seeks to do.

As already noted, what is lacking in all this work, and in the Italian HR literature in general, are clearly focused ideas, based on concrete, verifiable evidence, of the effectiveness of the policies adopted by companies to foster positive employee attitudes and behaviour and, as a result, positive organisational outcomes. Empirical work remains extremely limited, be it the macro/strategic type, which looks at the effectiveness of HR practices on company performance, or the micro/functional type, directed towards measuring the influence of such practices on employee-related attitudes and behaviour.

There is, though, one recent macro/strategic study, carried out by Silvestri and Pilati (2005), which takes as its starting point the evidence for a relationship between HR practices and corporate performance, and investigates the conditions and options that assist the development of a strategic HRM approach. The economic and financial data came from documents and databases offering a high degree of reliability while the data on strategic decision-making and HR practice implementation came from questionnaires distributed to Company Directors, HR Directors and line managers. Respondents were asked to assess and give their perceptions of the importance attributed to HRM systems and their satisfaction with them. The research covered 144 Italian companies, and involved a total of 486 respondents.

The most important result to emerge from Silvestri and Pilati's (2005) study concerned the opinions of the three groups of respondent, namely top management,

HR management and line management, on the strategic importance of the HR practices in use, both now and in the future. As shown in table 2.1 below, there is considerable agreement among the three groups about the current importance of HR practices, such as Selection, Training, Compensation and Performance appraisal, and a decrease in the importance of personnel administration practices and those directed at industrial relations management. There is less agreement when it comes to the future: HR Directors place the greatest emphasis on issues surrounding internal mobility and career progress, which are of lesser priority for top management and line managers, and do not see communications as a strategic imperative for the future.

Table. 2.1 HR practices and perceptions of their relevance (from Silvestri and Pilati, 2005)

	HR Department	Top management	Line managers
Today			
The 3 most important practices	Training Selection, Compensation	Training Selection, Performance evaluation	Training Selection, Compensation
The 3 least important practices	Personnel administr. Downsizing, Outplacement	Personnel administr. Downsizing, Outplacement	Personnel administr. Downsizing, Outplacement
In the future			
The 3 most important practices	Internal mobility Training Competence	Training Information sharing Simplification of processes and procedures	Competence Information sharing Potential evaluation
The 3 least important practices	Industrial relations Outplacement Personnel administr.	Downsizing Personnel administr. Outplacement	Downsizing Personnel administr. Outplacement

Soda's study (2002) of the relationship between downsizing announcements and share prices constitutes a further significant contribution to the sum of Italian strategic HRM work, even though its strategic aspects are only marginal. The objective was to investigate whether there was the same rationale in the behaviour of investors and shareholders in Italy regarding downsizing as in the USA. The data came from 45 downsizing events involving 35 quoted companies over a 9-year time span. A dependent variable, called "return" was constructed which represented the variation in share price during a specific time interval following a downsizing announcement.

The research showed clearly that the reaction of Italian investors to announcements of downsizing tended to be negative. An explanation of this may be found in a comment made by a key informant during the preliminary interviews: "the problem is not whether redundancies are helpful or not, but whether they can really take place here in Italy. From my perspective, negative judgements come from the enormous difference that exists between announcing them and carrying them out. Such decisions in Italy are governed by social thinking, not economic thinking." (Soda, 2002:12)

These words underline how investors in Italy, where the emphasis is firmly on job security at all costs, are well aware that downsizing, whatever the real motivation behind it, may well be seen as pursuing short-term competitiveness at the expense of all else, leading to a negative impact. Their decision is not, then, based on the fact that redundancies do not necessarily improve a company's situation in the medium term, but because they are conditioned to believe that, in Italy, laying off workers is an act of weakness. This brings an interesting perspective to the analysis, showing as it does that in a society that is culturally and cognitively hostile to redundancy, a tool such as downsizing may hamper a company's chance of regaining competitiveness more than helping it.

Further work, by Reina, Soda and Bagnato (2001), again shows that, despite broad agreement on the pivotal nature of human capital for achieving competitiveness, the practices actually employed by Italian companies are often unfocused if not actually working against each other.

Empirical studies (Bagnato, 2002; Puricelli, 2002) have brought to light deep inconsistencies between awareness of the relevance of Systematic recruitment and Selection procedures in achieving a highly skilled, maximally effective workforce and the systems and methods companies actually put in place. Results show that although Recruitment and Selection are considered to be highly valuable HRM activities, the time and attention actually given to them by managers are minimal

compared with activities deemed to be of lesser relevance or value. This leads to the almost paradoxical situation whereby, on the one hand, there is general agreement on the value of human capital but, on the other, the effort given to harnessing this capital is woefully insufficient, indeed practically non-existent.

One of the more plausible reasons for this gap between awareness and action explored in the present study is the difficulty of obtaining hard evidence of the effects of human capital and HRM systems on company performance. This leads to discussion of the core problem of cost/benefit analysis when investing in HRM systems and policies, due to the void in knowledge of the mechanisms linking human capital, intangible and individual as it is, to performance. In short, there is a need for a substantive demonstration of how investing in human capital (Selection, Training, Communications, etc.), impacts on individual performance levels and, as a consequence, corporate performance.

There have been considerable steps forward in this area outside of Italy but within the country researchers have yet to provide empirical evidence of the level of contribution that human capital and suitable systems for managing it can make to an undertaking's performance and its value (Soda, 2002).

One important contribution of the present study lies precisely in its attempt to focus on this need and provide empirical evidence, albeit limited in its extent and breadth, of the link between HR practices and employee attitudes and behaviour in Italy based on information obtained from both employees and HR managers.

2.5 Chapter summary

This chapter first provided an overview of the macro-economic situation in Italy at the time of the survey, based on two authoritative sources, and shed light on its strengths and weaknesses.

Then followed a closer look at the main developments in Italian employment relations and collective bargaining and at the key characteristics of its labour market, here again highlighting the principal positive and negative aspects.

The final section was given devoted to a review of some of the work most relevant to our research that has appeared in the leading Italian HRM journals and in the most significant books published over the last five years.

CHAPTER 3

A REVIEW OF THE LITERATURE ON HUMAN RESOURCE MANAGEMENT PRACTICES

3.1 Introduction

This chapter explores the foundations of Human Resource Management (HRM) and the subsequent research developments in the field, and substantiates the importance of further investigation into its impact on employee attitudes and behaviour to gain deeper understanding of its peculiarities and salient characteristics. The vast amount of literature on HRM requires that a selection be made of the research and studies to be examined here. Those discussed below are the most representative and systematic studies in the field that are of most relevance to the present study.

The chapter is divided into four parts. The first focuses on the foundations of HRM and provides a summary of the various theoretical streams that led to its development as a field of study. It also includes an analysis of the role played by human resource (HR) practices in enhancing organisational and employee performance.

The second part concentrates on one specific stream of HRM work, the macro or strategic approach (Wright and Boswell, 2002). This primarily examines the impact of human resource policies and practices on corporate performance and financial results. An overview of the different approaches and the areas under discussion is provided.

The third part presents the theories behind the stream of HRM work that is more relevant to the present study – the micro or functional approach (Wright and Boswell, 2002) – and the contributions it has made to our understanding of HRM. The bulk of this work focuses on the influence of HR practices at an individual level

and is concerned with understanding and evaluating the relationships between HR systems and employee-related outcomes.

The chapter concludes with a look at the intended contribution of the present study. Following the conclusions of Wright and Boswell (2002), this research intends to take a further step forward in HRM analysis, bringing together aspects of the macro (strategic) and micro (functional) streams of HRM research, which until now have tended to be looked at separately.

3.2 The foundations and developments of Human Resource Management

Although ideas differ on how Human Resource Management originated, there is unanimous consensus on the specificity of this field, which relies on the notion that "people, no less than physical plant and financial resources, may be viewed and managed as assets and not merely as costs" (Beer, Spector, Lawrence, Mills, and Walton, 1985:xi).

The second half of the 20th century saw a proliferation of theories and experiments seeking to expand understanding of the importance of human resources; and conceptual and empirical work on the subject has progressed far enough to make it clear that people do indeed play a crucial role in company success (Becker and Gerhart, 1996). Globalisation, increased worldwide inter-company competition, the desire for competitive advantage, market deregulation, changing customer demands, and changes in the workforce and in the nature of work have all acted to give human resources greater prominence (Guest, 1987).

In some ways, Human Resource Management can be considered an amalgam of various theoretical approaches. A range of perspectives, including Human Relations, Human Capital Theory and the Resource-Based View, have all provided important contributions to the development of this field of study.

Since the first experimental work on Human Relations, undertaken at the Hawthorn site of the Western Electric Company, the role of employees in the success or failure

of their companies has become increasingly relevant. According to findings of the Hawthorn experiments, organisations can be regarded as social systems in which employees express their needs to belong, cooperate and communicate. This theory highlights the relationship between job-related motivational forces and employee behaviour at work as well as laying the foundations for further studies on Human Relations within organisations (Likert, 1961).

Some of the main concepts of the Human Relations movement were then brought together in the Human Resource Management approach. As argued by Guest (1987), for example, the underlying attraction of human relations concepts for Human Resource Management was the insight they provided into motivation, teamwork and participation and how these could be harnessed to enhance employee satisfaction, morale and productivity as well as creating a sense of mutuality and commitment to organisational goals.

Specifically, the Human Relations approach recognised the importance of small social groups within an organisation and of the norms and informal rules applying to such groups which can influence the way work is performed (Likert, 1961). This approach suggested that if management too acknowledged the importance of these social groups and took them into account, it could use their norms to direct working activity more effectively towards fulfilling company goals (Mayo, 1945). Little importance, though, was placed on involving employees in problem-solving activities and improving processes, concepts which today are pivotal; the discretionary effort required of employees was simply hard work.

The Human Relations movement declined in the late 1950s-1960s, maybe due to its limited focus and rather manipulative attitude. However, its emphasis on small group organisation and the idea that if managers are attentive to workers' needs increased productivity could result have remained milestones influencing subsequent work in HRM (Appelbaum, Bailey, Berg and Kalleberg, 2000).

Human Capital Theory is another strand of theoretical work which contributed to developments in Human Resource Management. Central to this approach is the idea that people possess skills, experience and knowledge which should be treated as a form of capital (Flamholtz and Lacey, 1981). As such, expenditure on employee education, training and well-being represents an investment which gives a return in improved workforce skills, experience and knowledge, thereby bringing the organisation greater productivity and growth (Flamholtz and Lacey, 1981).

Human Capital Theory has major implications for Human Resource Management, adding weight to the positive effects of human resource policies on employee attitudes and behaviour. For instance, it affirms that investment in human resource policies such as training, development plans and reward systems will result in increased employee skills, improved company performance and reduced staff turnover (Flamholtz and Lacey, 1981). In short, Human Capital Theory shows that investing in the workforce brings benefits not just to employees but to the organisation itself.

The Resource-Based View (Barney, 1991), which is founded on the concept of an association between a company's internal resources, its strategy and its performance, also supports the concept of the workforce as a leading asset in the achievement of corporate results. The theory highlights the central role played by human resources and sets the parameters for recognising the importance of human resource policies as a means of improving employee skills and motivation, and thereby gaining sustained competitive advantage (Wright, McMahan and McWilliams, 1994).

Central to the Resource-Based View is the idea that, for a resource to be considered a source of sustained competitive advantage, it has to bring to an enterprise added value, must be rare, distinctive and without reliable substitutes (Barney, 1991). Growing acceptance of the concept of internal resources as sources of competitive advantage has brought legitimacy to the assertion that people are of strategic importance to a company's success and that human resource policies are the levers by which a pool of human capital can become a source of sustained competitive

advantage (Wright, Dunford and Snell, 2001).

Indeed, as argued by Wright and his colleagues (1994:320) "for a company a human capital pool is a necessary but not sufficient condition for human resources to act as a source of sustained competitive advantage. The potential of the human resource capital is realised only to the extent that the possessors of the human capital (i.e. individual employees) choose to allow the firm to benefit from the capital through their behaviour". Human resource practices mould this relationship between the human capital pool and a company's effectiveness by inducing employee behaviour consistent with company expectations.

The concept of people as a strategic resource which gives companies ongoing competitive advantage has been widely propounded, both in theoretical and empirical work (Handy and Pettigrew, 1990; Wright, et al., 1994). The conclusions have been that improving personnel management so that human resources are harnessed to greater effect will indeed create sustained competitive advantage (Guest, 1987), and that skilled workforce management can make its human capital, "rare, inimitable and non-substitutable" (Wright et al., 1994:305).

In conclusion, the concept of Human Resource Management now embraces and integrates the main themes from each of the three theoretical perspectives we have discussed: Human Relations theory leads to stimulating employee motivation, participation and teamwork so as to improve productivity and thereby corporate success; the Resource-Based View leads organisations to value employees as a key asset that can bring a company sustained competitive advantage; a similar effect derives from Human Capital Theory and its concept of human resources having an economic value.

At this point an important distinction needs to be made. As Appelbaum (2002) argued, attempts to reform workplace policies and make work meaningful for employees are as old as the mass production techniques and the routine-like jobs associated with the Taylorist work system. The difference is that unlike past attempts

to humanise work or improve the quality of working life, Human Resource Management policies have not necessarily been designed to increase employee job satisfaction, but almost entirely to improve plant and business-unit performance. Therefore, quoting Appelbaum (2002:121), "whether these practices result in positive worker outcomes is an empirical question, but achieving these outcomes is not management's primary motive." The present study intends to address this question empirically.

3.3 The role of Human Resource practices in the Human Resource Management approach

An essential element of the Human Resource Management approach is the central role given to employees, who are considered a fundamental asset in the achievement of an organisation's business goals. But even more important is the theory's recognition of the role played by the practices set in place by an organisation for its workforce. The approach makes it clear that employees *per se* are not enough and that the determining factor is the added contribution supplied by human resource policies.

I therefore now look at how the Human Resource Management approach regards human resource practices, giving an overview of the differences and similarities in the arguments of the many researchers who have published studies in this field.

Organisations can adopt a variety of human resource practices to enhance the strategic asset value brought by its employees. The level of individual performance, as defined by Boxall and Purcell (2003), is a function of ability, motivation and opportunity. People perform well when they have the skills and abilities required of them, they are highly motivated in their work and the work environment provides them with participation opportunities. These three areas, skills, motivation and participation opportunities, have gained large consensus among researchers as being crucial and they have been influential in directing development of many studies and researches (Appelbaum et al., 2000; Gardner, Moynihan, Park and Wright, 2000; Guest, 1997).

Hence, efforts first need to be focused on ensuring that a workforce has the appropriate skills and abilities. The quality of a workforce may be improved by well-honed hiring policies and/or raising the skills and abilities of those already employed. There exist sophisticated selection procedures designed to identify the very best potential employees which may be utilised. Indeed, research confirms the existence of a positive correlation between staff selection and company performance (Becker and Huselid, 1998; Delaney and Huselid, 1996; Hoque, 1999; Schmidt, Hunter, McKenzie and Muldrow, 1979). But organisations can also improve the quality of their workforce by providing them with comprehensive training and development programmes. There is considerable evidence showing that investment in training brings organisations beneficial outcomes (Bartel, 1994; Delaney and Huselid, 1996; Knoke and Kalleberg, 1994).

Nevertheless, however skilled a workforce, it will not perform optimally if there is no sense of motivation. Here human resource policies may have much to offer. Organisations can implement merit pay or financial incentive schemes which reward employees for meeting specific goals. There is a substantial body of evidence showing that financial incentives and performance management systems have a positive impact on company performance (Gerhart and Milkovich, 1992). A further option is increasing perceptions of fairness, through formal grievance procedures for instance, this also having been seen to motivate employees in their work (Ichniowski, Shaw and Prennushi, 1995). Then there have been studies that show that motivation is also improved by job security (Ichniowski, Shaw and Prennushi, 1997) and opportunities for advancement (Osterman, 1987).

Finally, the systems in place in an organisation, and the ways opportunities to apply skills and motivation are effectively provided, is likely to have an effect on company performance. The degree to which skilled, motivated employees are directly involved in determining what work is performed and how this work gets accomplished is likely to be reflected on the company's balance sheet. Hence, it is argued (Appelbaum et al., 2000) that systems which give employees participation opportunities have a positive effect on company performance. Performance has also

been seen to improve from practices aimed at increasing working autonomy, discretion and employee involvement in the specification and design of tasks and activities (Appelbaum et al., 2000; Guest, 1997).

Research therefore provides clear evidence of the importance of HR practices in the achievement of company goals. Moving forward, these theories shed light on the importance of a specific, recurrent set of HR practices and, although there is as yet no unanimous agreement on single practices, the area in general seems to be attaining consensus (Wright and Boswell, 2002).

One viable set would include selection, training, communications, job design and rewards. Others, more controversially, might include performance-related pay and job-security guarantees (Guest, 2001). Such practices form the building blocks of high-performance management systems. They bring competitive advantage because they are not easy to copy and their implementation involves viewing people, organisations and sources of success in a distinct way. This means that, unlike other strategic moves, in technology for instance, the economic returns produced are less likely to be undermined by other companies implementing the same practices, at least in the short term (Pfeffer, 1998).

Some examples follow. Pfeffer's model (1998) identified seven practices that he felt characterised most if not all systems designed to increase profits through people: employment security, selectivity in hiring new staff, team self-management, comparatively high bonuses for good company performance, extensive training, the reduction of status differences and extensive information sharing.

Appelbaum, Bailey, Berg and Kallemberg's High Performance Work System (2000) set out practices to enhance workers' skills and provide them with incentives to participate in decision-making. They comprised autonomy in decision-making; working in self-managed teams; off-line team participation; good communications; training, both formal and informal; security of employment; information sharing; good promotion opportunities and work-life balance support.

Nevertheless, acknowledgment of the role played by human resource practices has not been without controversy. Several authors have advised caution in embracing the claims made for HRM's positive effects. The doubts come from the fact that HR practices should bring about a sense of mutuality; their objective is to enhance employee abilities, their motivation and their rewards, and in turn promote commitment and a positive disposition towards the company (Guest, 1995). But many companies which have faced economic crises in recent times have had to make drastic cuts in their outgoings, often leading to large-scale redundancies. This has naturally led to greatly-impaired employer-employee relations and, as a result, human resource policies have worked against rather than in favour of employees (Purcell, 1999).

A number of studies (Appelbaum, 2002; Appelbaum et al., 2000; Guest and Peccei, 2001; Guest, 2002; Legge, 1998; Purcell, 1999) have highlighted some of the contradictory effects that HRM systems may have on workers. They postulate that HR Management systems are manipulative and are adopted to meet the needs of managers without much thought for workers' needs. Although High-Performance Work Systems (HPWS) generally increase worker autonomy and bring them greater involvement in working methods and task assignment this may be accompanied by a loss of control over the pace of work.

The result is that employees may well have high levels of job satisfaction but also high levels of stress and anxiety. This will lead to mixed employee outcomes and therefore, as case studies show, to sometimes diverse and even negative effects following the adoption of sophisticated human resource practices.

The same group of researchers have also identified that other tensions may derive from the introduction of HRM systems. High Performance and High-Commitment work systems are designed to lead employees to identify with their organisation and accept its goals as their own, the end objectives being a united view of the firm with the workforce being motivated to provide extra effort and thereby bring the company

competitive advantage. But such commitment can give an organisation very powerful control mechanisms (Lincoln and Kalleberg, 1990), leading to employee exploitation, work intensification, downsizing and the concept of the worker as easily dispensable.

In addition more subtle exploitation can result from a workforce's commitment to and involvement in its company's goals. (Guest, 1999). Therefore, the *caveat* must be, "all that glisters is not gold," and it should be borne in mind that there are many aspects of the relationship between HRM systems and employees that still need to be understood more fully.

There is a further issue surrounding the impact of human resource practices which needs to be considered. There has been little Human Resource Management work on providing an explanation of the mechanisms through which human resource policies influence company performance: most studies lack an in-depth analysis of exactly how the impact of HR practices on both companies and staff actually occurs.

In other words, most researchers keep clear of the "black box" as defined by Gardner and his colleagues (2000), their descriptions of the relationship between HRM systems and organisational performance being just that, rather than bringing illumination on the mechanisms involved. According to Guest (1997:263), "if we are to improve our understanding of the impact of HRM on performance we need a theory about HRM, a theory about performance and a theory about how they are linked."

The present research aims to help fill this gap in knowledge and bring greater understanding of the elements in the "black box", as it will be elucidate further below.

3.4 The Macro/Strategic approach to Human Resource Practices

It has been widely stated that a company's pre-eminent resource is its men and women and that they are the key to achieving outstanding performance (Delaney and Huselid, 1996; Pfeffer, 1994). Since the emergence of HRM as a research area, the prime field of study has been the impact of the workforce on a company's performance, as measured by profit, investment return and other major economic indicators. The aim has been to show that investing in human resources brings benefits to company results. As such, it has been termed the macro or strategic approach (Wright and Boswell, 2002).

There has now been almost a decade of research into and analysis of the impact of HRM on company performance, led by work from Delaney and Huselid (1996); Huselid (1995), Huselid and Becker (1995), Ichniowski, Shaw and Prennushi (1995), and MacDuffie (1995).

Although conclusions have showed a degree of variability, there has been considerable consensus that significant investment in high-performance management practices brings lower employee turnover, greater productivity and improved corporate financial performance (Combs, Liu, Hall, and Ketchen, 2006). Huselid, for instance, analysing a sample of 928 firms, concluded that HR practices affect employees' motivation by encouraging them to work both harder and more efficiently. MacDuffie (1995) and Ichniowski and colleagues (1995) supported this deduction but asserted that the effect of innovative HR practices on performance came less from the individual components themselves than from interrelations between the components, forming an internally consistent HR "bundle". Further work along these lines came from Pfeffer (1998), who looked at what "putting people first" and implementing intensive performance management practices really involved.

Most of these studies share a common methodological approach in that they use the same sources of information, examine similar sets of human resource practices and look for the same types of effect. Since macro HRM research focuses on the impact

of HR practices on companies, analysis tends to concentrate on inter-company variations; effects on individuals or groups, or broken down by job type are consequently overlooked (Wright and Boswell, 2002). As Gardner and his colleagues (2001:6) noted, this line of research, "has failed to examine the impact of HR practices on the most proximal variables in conceptual models such as employee attitudes and employee outcomes."

In short, the focus is on improvements in economic performance although there are different emphases within this: organisational outcomes (productivity, quality, customer satisfaction); financial-accounting outcomes (return on assets); and financial-market outcomes (shareholder return, Tobin's Q) (Dyer and Reeves, 1995; Rogers and Wright, 1999).

The management practices on which macro/strategic research tends to concentrate and with which positive effects have been seen are extensive recruitment, careful selection, training procedures, formal information-sharing, attitudinal assessments, job design, employee participation, performance appraisal, promotion opportunities and financial incentive schemes.

Becker and Gerhart's analysis (1996) is useful here in assessing the impact of these practices on company performance. They identify three possible approaches. The first, universalistic, suggests that there is one particular set of HR practices which is to be regarded as "best" and which will improve financial performance, regardless of the organisation or its strategic goals (Osterman, 1996; Pfeffer, 1994). A "best" set might be, say, selectivity in hiring, plus incentive pay, plus extensive training and skills development, plus self-management for teams, plus information sharing. The second approach, contingency, is primarily concerned with the organisation' strategic choices in managing their competitive environments and the way in which these choices are reflected in the organisation's human resource management practices. The third, configurational, argues that a company's success will depend upon the fit between its HR policies and its business strategy, as well as on the congruence and synergies among the human resource management practices

The universalistic approach emerges in Huselid's 1995 study of high-performance work practices where he states, "all else being equal, the use of High-Performance Work Practices and good internal fit should lead to positive outcomes for all types of firms," (1995, p.644). Similarly, Delery and Doty (1996) noted how universalistic researchers propound that there are some human resource management practices which are always better than others and that all organisations should adopt these "best" practices.

Several empirical researchers have adopted this approach (Delaney and Huselid, 1996; Huselid, 1995; Osterman, 1994; Pfeffer, 1994). Yet there is no consensus on which set of HR practices is the "best". As Ferris et al. point out (1999:390), "there has been little work that provides a definitive description as to which human resource management practices should be included in a "best" practices system." Moreover, despite its strategic perspective, the universalistic approach ignores corporate strategy. Its only strategic aspect is that it measures the primary strategic result for any organisation, namely its performance (Chadwick and Cappelli, 1999).

The contingency approach, i.e. fitting the HR practices applied to a business strategy, implies that if an organisation's HR practices are to have a positive effect on company performance they must dovetail into its strategic aims (Chadwick and Cappelli, 1999; Ferris et al., 1999). Consequently, research in this area is directed towards identifying a corporate strategy approach and showing how individual HR practice can interact with it to improve company performance. Contingency perspective work is therefore more complex than universalistic as it looks at interactions rather than simple linear relationships (Delery and Doty, 1996).

The configurational approach takes the contingency approach as its starting point but goes a step further, aiming additionally for cohesiveness between Human Resource practices and corporate strategy (Delery and Doty, 1996; Wright and McMahan, 1992) and involving the notion of fit or integration. Vertical fit comes from the degree of alignment between HRM strategy and business strategy, the ideal being for

HRM strategy to form an integral part of business strategy, fitting seamlessly into the business planning process (Walker, 1992). Good vertical integration therefore means that a HRM strategy will not just aid the accomplishment of a business strategy but will help define it. Horizontal integration comes from the interaction between the individual elements of the HRM strategy; where the fit is good they are mutually supportive and bring about a cohesive approach to people management. Configurational theorists believe there to be certain "ideal types" of HRM systems which give the maximum degree of horizontal and vertical fit (Delery and Doty, 1996). Examples of this approach are to be found in works by Arthur (1992), Ichniowski et al. (1995), and MacDuffie (1995).

Studies of High-Performance/High-Commitment work practices take elements from all three of these approaches in investigating how to create and maintain competitive advantage through the attributes of human capital, and how combinations or systems of HR practices ultimately drive business performance. The distinction is important as it highlights the need to substantiate theories of the interactions between HR practices and the effects these have on company results. What is required, in other words, is a systematic investigation into how HR practices influence performance, individually or in combination (Peccei, Guest and Dewe, 2003).

These differences aside, the strategic HRM approach reveals a number of inconsistencies and contradictions, some of which are discussed below.

One of the most important, as we have already seen, is the marked lack of consensus in high-performance work practice studies on which HR practices are of greatest importance. Although some appear with regularity, there is still little agreement on exactly which are of most value (Guest, 1997). To make matters worse, sometimes a practice judged to have a positive effect by one study is deemed negative by another (Peccei, 2004).

There are also methodological concerns regarding the analysis and assessment of HR practices (Purcell, 1999), most notably the reliability of responses. Firstly there is the

choice of respondents. Although studies cover a spread of industries, from automotive assembly plants to steel mini-mills, the data usually comes from Human Resource managers and/or line managers as a single source, and is usually collected by questionnaire (Delaney and Huselid, 1996; Wall and Wood, 2005).

Then there is the use of self-reporting techniques, which can be particularly problematical when one person provides the information both on which HR practices are employed and their outcomes, or when the design of the questionnaire encourages respondents to tick a box rather than going to the files to find the answer (Beker and Gerhart, 1996; Guest, 2001; Purcell, 1999). Yes/no questions, eliciting simply the presence or absence of a practice, are used in many HRM studies but are not a reliable way of evaluating the effect of HR practices if some of these practices are applied only to specific groups of employees. Ignoring this may well lead to erroneous conclusions (Guest, 2001).

The use of single respondents also increases the risk of subjectivity or bias. Apart from introducing additional respondents, this can be avoided by combining data from a number of sources, including qualitative case-studies and/or interviews (Gerhart, 1999). The vast majority of strategic HRM studies (Huselid, 1995; McDuffie, 1995) have examined the impact of HR practices purely from a managerial perspective. There is enormous scope for investigations into employees' reactions to such practices and how they feel about them.

The present research, as it shall be discussed later in more detail, takes up these aspects and combines information from two sources, HR managers and employees, with questionnaires tailored to each group. Had I taken a more narrow, organisation-based, focus, aspects of considerable relevance for the impact of HR practices on company results would have been overlooked. Therefore I took the lead from those researchers who have pointed out the importance of working from a wider perspective, of involving employees directly in research and examining their working experiences.

Indeed, employees are now moving towards centre stage in HRM studies, not just as sources of information but, more importantly, as beneficiaries of its practices. This brings us to the second line of research, the micro or functional approach.

3.5 The Micro/Functional approach to Human Resource Management

As noted by Wright and Boswell (2002), the micro/functional research stream developed primarily from industrial and organisational psychology. Its objectives are to discover how HRM affects employees, in terms of behaviour, attitudes or other employee related dependent variables, rather than simply looking at corporate performance. Whatever the outcomes or dependent variables considered by the authors, this stream of research is primarily interested in identifying and accounting for variance across individuals instead of organisations.

The major limitation of the first micro HRM studies was that they looked at the effects of single HR practices on individuals, giving a narrow focus and excluding the possibility of discovering the synergies that may exist between groups of HR practices or entire HRM systems. They have, though, provided a wealth of research on single HR practices at employee level, covering the impact of a wide range of aspects including, for example, selection and recruitment (Mount, Barrick and Strauss, 1999; Mount, Witt and Barrick, 2000; Phillips, 1998), socialisation and training (Allen and Meyer, 1990; Frayne and Geringer, 2000; Tesluk and Mathieu, 1999), compensation and benefits (Dulebohn, Murray and Sun, 2000; Lambert, 2000) and assessment and promotion (Williams, Miller, Steelman and Levy, 1999).

Although conclusions have been generally positive in nature, confirming the existence of relationships between HR practices and employee attitudes, the limitations of the single-practice methodology means that the results have to be interpreted with caution and certainly cannot be used to promote understanding of how practices can interact to bring cumulative effects (McDuffie, 1995).

Indeed, the effect on employees of multiple practices has been one of the most sparse areas of research to date. From the studies that have so far been published, the

models developed by Tsui, Pearce, Porter and Tripoli (1997), Appelbaum et al. (2000), Godard (2001), Ramsay, Scholarios and Harley (2000), Guest (1999, 2001) and Ostroff and Bowen (2000) are those that are most representative of recurrent issues in this approach and its strengths and weaknesses, while also being those of most relevance to the present work.

I therefore now take a look at the HR practices examined in each of these studies and at the range of outcomes, as this is what distinguishes the approach.

The Tsui, Pearce, Porter and Tripoli (1997) study was a highly useful piece of work on the performance and attitudinal responses of employees in different employee-employer relationships. Samples of employees were drawn from ten organisations in five competitive industries. Four types of employee-employer relationship were identified, two where the exchange between employer and employee was comparatively balanced, and two where it was highly unbalanced.

One of the balanced relationships was a purely economic exchange, where the employer simply offered short-term economic inducements in exchange for clearly determined contributions from the employees. This highly circumscribed relationship was described as a *quasi spot contract*. The other balanced relationship entailed unspecified, broad, open-ended commitments by both employer and employee and was referred to as the *mutual investment* approach. Here the inducements provided by the employer went beyond short term monetary rewards to include the employee's wellbeing and the provision of development opportunities within the company. In exchange, the employee's obligations included flexibility over job assignments, full cooperation with colleagues, and a general willingness to give the company's interests the same priority as his/her core job duties. The *mutual investment* approach therefore shows similarities with Lawler's high involvement system (1992) and Arthur's commitment system (1992).

In the first of the unbalanced relationships, the employee was expected to accept broadly based, open-ended obligations, while the employer merely contributed short-

term, specific monetary rewards. This was termed *underinvestment*. In the other, described as *overinvestment*, the employee had only to carry out a well specified set of job-focused activities while the employer offered open-ended, broad-ranging rewards, including training and career opportunities. This is the sort of relationship that is often found in organisations with strong trade union influence or in the public services.

Seven HR practices were examined in this study in evaluating the company-workforce relationships. Three of them related to employees: evaluation, rewards and goal assignment; and four related to the employer's investment in its workforce: training, career planning, employment security and internal recruitment. Supervisors in each of the ten companies were among those questioned, being asked the extent to which each practice was used by their company in each job category.

There were also seven outcomes analysed, all of them employee-related. Three were behavioural: in-role performance, intention to stay and non role-based activities (e.g. citizenship behaviour); and four attitudinal: organisational commitment, perceived fairness, supervisory support and trust in co-workers.

According to the results, employees in *mutual investment* relationships, where open-ended inducements from employers are balanced by open-ended contributions from employees, generally performed better than those in any of the other three company-workforce relationships. Their attitudinal responses were also more positive. It was therefore concluded that *mutual investment* yields the greatest return in terms of employee outcomes and therefore of overall corporate success.

When looked at in the light of the present study this research has some major strengths but some limitations too. One major plus-point is the use of dual information sources: supervisors provided information on which human resource practices were applied in their company and employees supplied the data on outcomes. It is worth reiterating here that most HRM research has instead relied on a single source of information: HR managers for the macro/strategic approach and

employees for the micro/functional approach.

Another important benefit is the spread of practices and outcomes examined. This contrasts with the majority of micro/functional research which analyses just one practice and assesses it in terms of just one or two outcomes.

On the negative side, the study looked only at the impact of the four employer-employee relationships and failed to investigate the direct relationship between each practice and the outcomes, thereby missing the chance of yielding potentially useful new information on the impact of HR practices on employees.

Godard (2001) took a different approach, focusing primarily on whether alternative work practices (AWPs) have a positive or negative effect on employees. Although AWPs vary in type and are often not clearly defined (Godard and Delaney, 2000; Wood, 1999), they generally include some combination of workplace organisation (independent work teams, job rotation or multi-skilling, for instance) and formal participatory mechanisms (such as quality circles or general meetings). These often fall within a quality management, work re-engineering or lean production program and are supported by a performance-related pay system.

Many sustainers of AWPs believe that, as long as properly implemented, their effect on workers is positive (Ichniowski et al., 1996; Kochan and Osterman, 1994), because their principal effect is to increase motivation and job commitment in employees by fulfilling social-psychological needs. There are also criticisms, though, detractors sustaining that any positive effects relate more to managers than employees, as the latter tend to suffer from more intense work patterns and increased stress.

The primary aim of Godard's research was therefore to establish how AWPs influence the working experience and the effectiveness of a workforce. Three of the factors examined, the sense of belonging, task involvement and empowerment, were used to assess to what extent employees achieved a sense of identification with and

attachment to their company. Two further factors, workload and stress, examined the demand on them from workplace pressures and whether they could cope with them. The variables analysed spanned extra-work outcomes (fatigue, self-esteem); attitudinal outcomes (job satisfaction, commitment); and behavioural outcomes (motivation, i.e. the extent to which individuals put effort into the performance of their job above that which is required, and organisational citizenship behaviour).

The AWPs were clustered into three groups by related characteristics. The first comprised quality improvement, just-in-time systems and re-engineering. The second consisted of five on-line practices: team-based work systems, team autonomy, team responsibility, multi-skilling and job rotation. The third involved four off-line practices: information sharing, quality circles, committee systems and joint steering committees.

The respondents were a randomly-selected sample of 508 Canadians who were interviewed by telephone. Working experiences and outcomes were measured on multiple Likert scales. The evaluation of the AWPs was achieved by asking respondents if, to the best of their knowledge, their employer had adopted the practices under examination and, if the response was yes, to state the extent to which they had been involved in them, the scale varying from "not at all" to "a great extent".

The results are of great interest in several ways. Firstly, they showed strongly positive correlations between high levels of involvement in AWPs and all the dependent variables except for workload and fatigue. Quadratic index regressional statistical analysis was used to identify positive exponential effects, and gave significant results for sense of belonging, task involvement, empowerment, job satisfaction, self-esteem and citizenship behaviour. Contrary to expectations, though, the squared term figures were negative throughout. This demonstrates that the positive effects of AWPs do not increase linearly with the number of practices adopted, but that the increase tends to decline as more practices are adopted and will eventually become negative.

When looked at in more detail the results showed that workload and stress were reduced by the adoption of quality management systems while empowerment was positively influenced by multi-skilling, team-based work and information sharing, these latter two factors also having a positive effect on the sense of belonging and task involvement. Of the two extra-work outcomes, fatigue showed the greater change with the adoption of AWPs, correlating negatively with multi-skilling, team-based work and information sharing. The other, self-esteem, was influenced only by the latter and the effect was positive.

As might have been expected, job satisfaction and commitment performed similarly, correlations being found with nine of the twelve AWPs examined. Eight correlated positively and one, team autonomy, negatively. There was much less consistency in the two behavioural outcomes. Citizenship behaviour reflected job satisfaction and commitment in being influenced by most of the AWPs, but influences on motivation were practically non existent, apart from a negative correlation with team autonomy.

Overall, the study demonstrated that AWPs bring significant changes to employee attitudes and behaviour. It also highlighted the need for further work in this area. One aim of the present research is to look more deeply into the effects of individual practices on employee work experiences and outcomes, avoiding the main methodological weakness in Godard's work, that of using a single source of information, the employee, for elucidating which AWPs were in place for which respondents and also for evaluating their influence. As we have already commented, using the same source to supply information on causes and effects is acknowledged to cause distortions in the data and, according to Podsakoff, MacKenzie, Lee, and Podsakoff (2003), is a source of common method variance. This is widely recognised as a potential problem in behavioural research as it can skew empirical results considerably, hence leading to erroneous conclusions (Campbell and Fiske, 1959).

The Appelbaum, Bailey, Berg and Kalleberg study (2000) was also of importance. Its starting point was the acknowledgement that part of the response of companies to the challenges of globalisation was the adoption of high-performance work systems

(HPWS), the objective being to attain improved performance standards while remaining globally competitive. The ever-increasing spread of these systems suggests that managers find them beneficial, although there is little documented evidence to support this.

The purpose of the study was therefore twofold. The first aim was to redress the lack of evidence by carrying out an empirical analysis of the relationship between high-performance work practices and company performance. The second was to examine how high-performance practices affect employee attitudes and their work experiences. Indeed, as the authors state (p. 13), "if the documentary evidence for plant performance is relatively limited, systematic evidence of workers' views of relatively recent changes in the workplace is nearly non-existent."

The researchers' hypothesis was that employee experiences under HPWS would be mixed. They would probably find their jobs more intrinsically rewarding and gain commitment to their organisation. They would also probably have greater job satisfaction if the practices gave them greater autonomy and control over working methods. On the other hand, it was felt that those in teams would sense less control over the pace of work and be subject to peer pressures, thereby increasing conflict. Furthermore, managers might use these new systems to intensify or speed up work. Thus, it was postulated that workers would find HPWS more challenging and satisfying than traditional ones but also more stressful.

The study involved companies and workers from three manufacturing industries: steel, clothing and electronic medical instruments. The design was multilevel, combining qualitative and quantitative methods. Site visits were made to each plant, where hard performance data were collected, and in-depth interviews were held with managers to elicit how HPWS affect performance. These were accompanied by a structured survey of employees who were questioned on their working experiences and on the HR practices in their workplace. Those examined were grouped into the three categories of skills enhancement, motivation and participation opportunities (Bailey, 1993; Boxall and Purcell, 2003; Guest, 1997). There were eleven in total:

formal training, informal training, employment security, information sharing, promotion opportunities, pay for performance, work/life balance support, autonomy in decision-making, self-managed teams, off-line team participation and communications.

Five employee-related outcomes were analysed: the extent to which employees trusted their managers, the degree to which employees perceived their job as intrinsically rewarding, Organisational Commitment, Job Satisfaction and Work Related Stress. The corporate analysis was by means of specific performance indicators as tracked by the plant managers in each industry.

Company performance in all three industries showed improvements from the adoption of high-performance systems and these were found to be (p.19), "large enough to be important to the companies in our study but not so large as to strain credulity". The effects on employees are worthy of more detailed discussion, as they are of more direct interest to the present research.

Across all three industries trust in management was positively associated with the group of practices bringing participation opportunities although, when the individual practices in the group were analysed, not all (off-line team participation for instance) were significant. Trust in management was also significantly associated with formal and informal training, employment security and information sharing, although results were not consistent across the three industries. Intrinsic job reward showed a high positive association with the group of practices involving participation opportunities but again there were inconsistencies between the separate practices. Formal and informal training correlated positively, but only for those working in the clothing and steel industries.

There was a further positive relationship between commitment and the group of practices involving participation opportunities, although not in the clothing industry. The relationships between skills enhancement practices and commitment were less clear-cut and somewhat inconsistent: formal training correlated positively with

commitment in only one of the industries, and, overall, the association with informal training was negative.

Job satisfaction was significantly positively associated with the group of practices involving participation opportunities only in the steel industry. Job satisfaction was also positively associated with promotion opportunities and company work-life balance support but again this was only statistically significant in the steel industry. Performance-related pay and employment security had no significant effect on job satisfaction in any of the industries.

The group of practices involving participation opportunities was associated with lower rather than higher levels of stress and, when each practice was looked at individually, none led to significant effects on stress in any of the industries. Formal training, employment security and performance-related pay were similarly unrelated to stress.

Summarising, these results lead to the conclusion that HPWS have a positive effect on employee commitment, trust and satisfaction, and do not contribute to perceived stress levels. However, their effects, like those of individual HR practices, were not always consistent, thereby raising doubts about the nature of the effects involved and the overall stability of the results.

The Ramsay, Scholarios and Harley study (2000) was directed towards elucidating the links between HPWS and employee outcomes and from there to organisational performance. It used data from the 1998 Workplace Employee Relations Survey to develop indicators of HPWS practices, employee outcomes and organisational performance. The main concept underlying the study was that, although many research projects, spanning different types of high-performance management practices (primarily HPWS, high-commitment and high-involvement) acknowledge causality in the mediation of worker outcomes between HR systems and performance, there had been practically no work on how these practices impact on employee outcomes and thence on organisational performance.

A further core element was the consideration that the primary aim of new management techniques is nearly always improvements in workplace performance but that this may not go hand in hand with positive employee outcomes. Indeed, it was felt that since HPWS are seen to lead, directly or indirectly, to more intense working patterns they are also likely to lead to increased stress levels.

Data collection involved a questionnaire on HR practices for managers and a survey of employees. The limitation of the approach was appositely summarised in the research findings as follows, "while it is possible to relate individuals to workplaces where particular management practices are reported, it is not possible to know whether the actual respondents are always among those experiencing particular practices in their workplaces" (p.507).

The analysis involved twenty four HR practices which HPWS studies had shown to increase employee involvement and development. When factor analysis was carried out these fell into three factor groups: "Systems" Work Practices 1 (SWP1), which comprised employee/union representation, consultation committees, equal opportunities/diversity management, family-friendly policies and sophisticated recruitment/selection; "Systems" Work Practices 2 (SWP2), covering grievance procedures, formal teams, harmonisation, appraisal, formal training and downward communications; and High Performance Work Practices (HPWP), involving the practices thought to come closer to the high-performance approach, namely profit-related pay, share option schemes, employee consultation, TQM, problem solving groups, team autonomy, job control, "investor in people" accreditation, upward communications, job security, internal promotions and induction procedures. The research carried out an examination of the separate effects of these three groups under the High-Commitment Management (HCM), High-Involvement Management (HIM) and Labour Process (LP) models.

The corporate outcome variables adopted were the workplace performance measures in the management questionnaire. This had asked managers to rate the comparative

performance of their company on financial performance, staff productivity, product service quality, absenteeism and employee turnover rates. The employee outcomes examined were commitment, job discretion and job strain in the HCM, HIM and LP models respectively. Three other variables, management relations, pay satisfaction and job security, were included in the analysis as possible mediators of the relationship between HPWS practices and commitment/job strain.

Under the HCM and HIM models, the results revealed that the HPWP set of variables had the most consistent positive effect on workplace performance, most notably in terms of staff productivity, financial performance, product service quality and employee turnover rate, while the "systems" scores were either unrelated to performance or had a negative effect. Also, in the regression equations for the employee attitudes (i.e. job discretion, management relations, pay satisfaction and commitment), HPWP had a positive and significant effect, substantiating the idea that HPWS practices lead to positive employee experiences. The two "systems" scores, however, provided contradictory evidence. The SWP1 group showed a number of significant negative correlations: with job discretion, management relations and commitment; and SWP2 produced little effect, except for a positive relationship with management relations.

Hence the results support the existence of a relationship between HPWS practices and improvements in workplace performance, as measured on a number of parameters. However the theory that these improvements come through an intermediate positive modification of employee behaviour/attitudes was shown to be highly questionable. In fact, the study also tested the intermediate effects of the three HPWS factors on commitment and job strain, adding the other employee variables one at a time. The HPWP set of variables confirmed a direct positive effect on commitment, which remained unaffected when the job discretion variable was added. When management relations and pay satisfaction were then included, the correlation lost significance, suggesting that the effects of HPWS practices on commitment come primarily through good management relations and, to a lesser extent, pay levels that are considered satisfactory. The researchers next tested the mediating effects of

job discretion, commitment, management relations and pay satisfaction on workplace performance. The employee outcome variables were introduced into the established direct relationship between HPWP and workplace performance and their impact was assessed. The addition of discretion, commitment, management relations and pay satisfaction to the regressions caused a reduction in the direct effect although it retained statistical significance. Commitment had an influence on the relationship between HPWP and labour productivity, financial performance and product/service quality, although the effect was notably small.

The same process was carried out on the LP model, here looking at the impact of job strain. As predicted, HPWP produced a significant association. Bringing job discretion and perceived security into the analysis did not reduce this association, meaning that the adverse effect of the HPWS practices on strain was not mitigated by potentially positive outcomes. A final set of regressions was then conducted to see how the relationship between HPWP and workplace performance was mediated under the LP model.

This study took a major step forward in elucidating the mechanisms that take place "inside the black box" (Gardner et al., 2000, Purcell et al., 2003). It did, though, have some methodological weaknesses which the present study has sought to avoid. Firstly, as already stated, there was no way of knowing whether individual respondents were the recipients of a particular HR practice or not. This sort of difficulty is common to much HRM research and it leads to the inevitable but often erroneous assumption that all employees in an organisation are treated the same way (Lepack and Snell, 1999). Our technique for avoiding this problem was to ask each HR manager to indicate which professional groups were the subject of which practices. A second weakness of the Ramsay, Scholarios and Harley study was that their only analysis of the twenty four HR practices was via three factor groups, thereby preventing them from gaining potentially valuable information on the individual influence of each practice.

Guest has made numerous contributions towards elucidating the impact of HR

practices on employees. One such was a study of employee perceptions of HRM (1999), with data coming from the annual survey conducted by the Chartered Institute of Personnel and Development. The project's aim was to assess how employees felt about their current employment relationship, primarily with regard to their experiences with HRM, and so to produce a "workers' verdict" on the positive and negative effects of HRM systems.

The practices analysed in the study were those commonly implemented under a high-commitment progressive HRM system and comprised grievance procedures, training and development, information sharing, single status policy, challenging/interesting job, internal promotion, involvement in decision making, security against compulsory redundancies, performance-related pay and profit sharing.

Numerous outcomes were assessed. These covered a set of intermediate outcomes related to the psychological contract, including perceptions of fairness and trust in management, as well as others more directly related to workplace experiences, such as work pressure, job security and job satisfaction. Motivation was the sole behavioural outcome examined.

Overall, the "workers' verdict" was a positive one since (Guest, 1999:22), "the data reveals that those reporting that they are affected by a greater number of HR practices are likely also to report a more positive psychological contract and, in turn, greater satisfaction, job security and motivation, as well as lower levels of pressure at work".

Later research by Guest (2002) brought the worker centre-stage in HRM analysis and study. The main objective of the 2002 study was to examine the mediating role of employee attitudes and behaviour in the relationship between HR practices and performance and hence to identify which HR practices were most likely to have a positive effect on workers.

The survey was based on a sample of 2,000 employees working in four different

sectors, central government, local government, the health service and the private sector, and was conducted by telephone interview, respondents being asked to assess their experiences of specific HR practices. The practices examined were similar to those that had been analysed previously and comprised equal opportunities, anti-harassment practices, information sharing, training and development, security against compulsory redundancies, performance appraisal, family-friendly practices, challenging/interesting jobs, internal promotion, involvement in decision making and performance-related pay.

Analysis centred on various aspects of work and life satisfaction. In this it differed from previous work which had instead concentrated more on commitment than satisfaction. It was also practically unique in examining satisfaction beyond the boundaries of the working environment.

The results showed that those HR practices directed towards increasing job variety and worker interest correlated positively with work satisfaction across all four employment sectors. Information sharing, equal opportunities, anti-harassment policies and family-friendly procedures also gave positive associations with greater work satisfaction. However, as Guest commented (p. 352), "it is notable that performance items such as performance appraisal, performance-related pay and even training and development do not feature as practices associated with work satisfaction." He concluded that HR managers should reconsider their policies on HRM, taking on board the fact that the practices which gave the most highly positive associations with work satisfaction were not those commonly promoted under HRM systems. They were instead those often lobbied for by unions and frequently adopted only reluctantly.

HR practices proved to have less impact on life satisfaction, as might have been expected. Satisfaction in this area is influenced more by personal aspects and characteristics, such as education levels, working hours and children. Nevertheless, the research did show, across all four employment sectors, that having a more challenging, more enriching job produced a positive effect on life satisfaction.

Those aspects of this research which relate to the work climate are of particular relevance to the present study. Guest postulated that not only were employee working experiences of importance in the effectiveness of HR practices but that their perceptions of their working environment were too, and the results supported him. A friendly working environment gave consistently high associations with both job and life satisfaction. The pre-eminence of certain workplace conditions and characteristics in heightening the efficacy of HR practices and their degree of influence on employee attitudes and behaviour is recognised in our research too.

Although Guest's approach and that of the present study show various other similarities, there is one major difference, that being the information source. Like other researchers, Guest used a single source for establishing the HR practices in use and for measuring attitudes and behaviour. As previously stated, this can lead to inherent errors and biases. Therefore, although Guest's results are of major interest and provide a significant contribution to micro/functional research, they must be interpreted in the light of this methodological weakness.

The final model considered here is that of Ostroff and Bowen (Ostroff and Bowen, 2000; Bowen and Ostroff, 2004) which, although purely theoretical, has a number of similarities with the present approach. Ostroff and Bowen felt that it was important to overcome the traditional separation between micro and macro research and to integrate the two. Having noted the links between HR practices, employee attitudes and behaviour, and company performance in the pre-existing body of research, that relating both to organisations and employees, they set out to achieve a guiding theoretical framework to rationalise them.

Ostroff and Bowen (2000, 2004) felt that, in order to make sense of the relationship between HR practices and corporate effectiveness, more attention needed to be paid to employee-related factors, employees being the mediating mechanism linking the HR practices to company performance. They took as their baseline the idea that the impact of HR practices on company performance works through improving

organisational and operational efficiency. From there they explored how HR practices shape employee-related characteristics, both at company level, looking at the organisational climate and the normative contract, and at the individual level, through the psychological climate and the psychological contract.

Organisational climate has been the subject of a number of leading studies. Over the years the focus has shifted from a general, more abstract approach, embracing everything that takes place in an organisation, to a more strategic one, leading from common perceptions to distinct goals (Schneider, 1990). This means that an organisational climate depends on the set of HR practices implemented. If it is to bring about greater coordination and interaction, and induce workers to have common perceptions, the type of climate, the set of HR practices implemented and company strategy all have to work in unison. As such they build into a strong system, where there is little ambiguity surrounding the organisation's goals and procedures (i.e. perceptions of the working climate) or concerning employer-employee exchanges (i.e. contractual norms). A strong HR system is one whose practices are effective in communicating the company's strategic focus.

Ostroff and Bowen (2000, 2004) then postulated that any given organisation has to find the HR system which is most consistent with its strategy, and which will therefore produce the desired working climate. Consequently, not only will HR systems differ from one organisation to the next but their relevant outcomes will too, as these are also closely linked into general corporate strategy. They concluded that the influence of an HR system on company performance lies primarily in the establishment of an organisational climate and normative contract that will impact on collective behaviour and attitudes.

This model is of particular relevance to the present study and several of its important features have been adopted. One vital point is the attention Ostroff and Bowen (2000, 2004) pay to the way the relationship between HR practices and outcomes is mediated, even though the outcomes are considered primarily at organisational level. However it must be remembered that the model is only theoretical and it might prove

difficult to operationalise empirically, since there could be problems in evaluating the key concept of organisational climate that stems from HR practices, without confounding it with the HR practices themselves.

Another feature of the Bowen and Ostroff (2004) model followed in the present study is its multi-level approach, using both individual and aggregate levels in examining the relationship between HR practices and employee attitudes and behaviour. I reiterate that this is essential if we are to advance our understating in this area (Smithey Fulmer, Gerhart, Scott, 2003).

Wright and Boswell commented (2002) that there is much still to learn on how HR systems and multiple HR practices impact on workers. The models developed by Tsui and his collegues (1997), Appelbaum and her collegues (2000), Godard (2001), Ramsay, Scholarios and Harley (2000), Guest (1999, 2001), and Ostroff and Bowen (2000, 2004) all also emphasised the importance of further work into the impact of distinct practices on distinct employee-related outcomes if we are to gain a fuller understanding of whether and how HR practices really affect employee attitudes and behaviour towards their organisation. I took that as the cue for the present research which follows the natural course suggested by the body of work reviewed above.

3.6 Prospective contribution of the present study

The present study focuses attention on a number of HR practices and policies which have been frequently analysed in previous HRM work (Combs et al. 2006) and which are broadly recognised as being high-performance or high-commitment in nature. Its development stems from the conclusions of Wright and Boswell (2002) that further steps were necessary in HRM analysis to bring greater understanding of areas not yet well covered; and, crucially, that there was a need to integrate the macro/strategic and the micro/functional approaches.

There are, though, practical reasons why previous research has tended to be either exclusively macro or exclusively micro (Ostroff and Bowen, 2000). If employees are to form the analysis base (micro), researchers can gain access relatively easily to

many individuals in one organisation, but not across more than a handful of organisations. When cross-organisational (macro) research is designed, it is comparatively straightforward to recruit one or a small number of respondents in each company, but not a large number in each. Our work, however, succeeded in overcoming these difficulties and our sample totalled 2,175 individuals, covering 12 companies and the workforce in each, thereby allowing us to embrace both approaches

Macro/strategic studies, with their typical single respondent per company, are more manageable but run the risk of responses failing to capture any variance in HR practices. As Guest (2001:1098) argued, "many of us are deeply sceptical about the ability of someone at headquarters level to provide an accurate picture of what is happening inside the organisation or to be in a position to generalise across sub-units".

Micro/functional research, whether looking into individual or multiple HR practices, also suffers from problems over the reliability of responses since the employees who are called upon for their direct assessment of the practices under examination may be unaware of the practices in question or misinterpret their influence (Appelbaum et al., 2000; Godard, 2000; Guest and Conway, 1999). Hence, what these studies have tended to measure is not the impact of HR practices on employee attitudes or behaviour, but rather the impact of employee perceptions of these practices on attitudes and behaviour, and in doing so they have often incurred the problem of common method variance (Podsakoff, et al. 2003).

These pitfalls were avoided in the present study by collecting different information from different sources: HR managers were asked to list and describe which practices were applied in their organisation to which employee groups, but not about the impact of these practices. Employees were asked about their work experiences, and the outcomes of interest. This enabled us to keep the two sides of our study separate and to be able to evaluate both the direct effects of HR practices on employee-related outcomes and the mediating effects of work experiences on the same outcomes.

A further disadvantage of both macro and micro approaches is that they usually analyse only the direct impact of HR practices on the outcomes under consideration and neglect the influence that may be played by other intervening variables, most notably work experiences. Several studies (Becker and Gerhart, 1996; Guest, 2001; Guest, 2002; Harris and Ogbonna, 2001; Purcell et al. 2003) have discussed the importance of opening the "black box" between a company's HR system and its performance, and have recommended the development and testing of more complete, better structured models, most notably those including key intervening variables.

When we move from company performance to individual attitudes and behaviour the focus shifts from the organisation itself to its once-overlooked employees and the aim becomes, as Guest (2002, p. 335) states, "to bring the worker centre-stage". He also noted (p.340) that, "there is a strong implication in building the worker into the analysis in this way that a positive association between HRM and performance depends partly on workers responding positively to their experience of HRM." Indeed, a common bias in HRM research has been the assumption that the impact of HR practices on company performance comes through changes to worker effort, attitudes and behaviour, without ever subjecting these theories to analysis (Purcell, 1999).

It therefore becomes clear that there is a demonstrable need for considerable additional research. The conceptual models used in previous research have failed to pay sufficient attention to the impact of HR practices on the most proximal variables: employee behaviour and attitudes, and employee-related outcomes. Of equal concern is that existing results are inconsistent, inconclusive and often controversial (Combs et al. 2006; Peccei, 2004). Consequently we wished to address these failings while adding to understanding of the links between HR practices and their effects on employees.

The present study uses a sample base of Italian companies and their workers. Its methodology overcomes some of the limitations of both macro and micro approaches

by concentrating on employee-centred outcomes while analysing a range of attitudinal/behavioural attributes which are of relevance to an organisation as well as its individual employees.

Arguably, the study itself is important and necessary on five counts:

- First, research is still limited in the pivotal area of the impact of HR practices on employee attitudes and behaviour; further work here is of value by itself and more so if it helps open the "black box".

- Second, the mechanisms linking HR practices and employee outcomes are under-theorised, requiring further elucidation and testing; in addition the HR practices examined in previous studies have tended to differ so that studies have sat side-by-side rather than bringing real accumulation of knowledge.

- Third, existing research on the links between HR practices and attitudes/behaviour has tended to focus on only a limited number of employee outcomes in any one study; there is still a lack of knowledge on the impact of HR practices on a range of individual outcomes.

- Fourth, existing findings lack clarity and precision. The results of research conducted on the impact of HR practices on individual outcomes do not provide sufficient evidence to draw clear theoretical conclusions in the important area of HRM research.

- Fifth and finally, the use of a single-source methodology in many of the studies carried out to date is questionable and needs to be addressed if fuller progress is to be made in the areas.

In brief, the present research is designed to contribute to the study of HRM by focusing on a relatively neglected area of analysis, namely the impact of HR practices on employee attitudes and behaviour at work. The aim is to contribute to our understanding of the effects of HRM on employees by using a sample of

employees working in twelve Italian organisations to address the five key outstanding points outlined above.

3.7 Chapter summary

The aim of this chapter was to review the development of HRM theory and research over the past twenty years or so, as a basis for locating the present study. In the process I summarised the two main HRM approaches, macro/strategic and micro/functional, highlighting the salient issues and the limitations of each. Against this background I then went on to discuss the aims of the present study and to describe the rationale of the theoretical strands underlying the research.

The theoretical framework guiding the study is discussed in greater detail in the next chapter, together with the basic conceptual model underpinning the research.

CHAPTER 4

A CONCEPTUAL MODEL OF THE IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE EXPERIENCES, ATTITUDES AND BEHAVIOUR AT WORK

4.1 Introduction

The focus of this chapter is a discussion of the conceptual model used in the study. It firstly summarises those aspects of the Human Resource Management (HRM) literature already mentioned which are of particular interest to the study and which have been of relevance in delineating the conceptual model adopted in the present study.

The conceptual model itself is then explained together with the mechanisms through which HR practices are hypothesised to affect a series of employee work experiences and their impact on work-related attitudes and behaviour. The various components of the model are then discussed, the individual variables defined and the key hypothesised relationships underpinning the model and the research highlighted.

4.2 The theoretical perspective of the study

Underlying much contemporary HRM work is the concern that, as well as the need to clarify the links between HRM and organisational performance (which remains the subject of ongoing study), two further areas need to be addressed: understanding the role played by employees in contributing to organisational performance and assessing the extent to which HR policies can significantly influence specific types of employee behaviour. As discussed in the previous chapter, particularly important in this respect are those studies, some focused on individual industries and some on a spread of sectors, which have revealed the effect of what are often referred to as High-involvement, High-performance or High-commitment HR practices on employee-

related attitudes and outcomes (Appelbaum et al., 2000; Guest, 1999; Guest, 2001; Guest and Conway, 1999; Tsui, et al, 1997).

Guest asserts (2000) that there is benefit in attempting to understand employees' perceptions and experiences of the HR practices set in place in their organisations. This means bringing the worker to the heart of HRM analysis and study, and shifting attention from the narrow relationship between HR practices and performance to a wider one which encompasses HR practices, employee perceptions and experiences of these practices, and related outcomes. Up until now employee reactions to HRM have been largely neglected, but the few studies conducted in this area have yielded interesting results, encouraging researchers to develop the line of analysis further. In particular, there is evidence to suggest that worker attitudes and behaviour mediate the HRM-performance relationship and that certain HR practices have a positive impact on employees, enhancing their satisfaction and productivity, while others are associated with higher levels of stress and lower levels of wellbeing (Guest, 2000). It is therefore important to gain an understanding of which HR practices might be considered "good", from both an employer's and an employee's point of view.

A number of studies (Bailey, 1993; Guest, 1999, Purcell et al. 2003; Hutchinson et al., 2003) show that HR practices affect discretionary employee effort through influences on their skills, motivation and participation opportunities, although the mechanisms by which HR decisions create and sustain value are complicated and not yet well understood (Becker and Gerhart, 1996).

Gardner, Moynihan, Park and Wright (2001) investigated the mediating process through which HR policies and practices lead to improvements in company performance. Their study examined the impact of HR practices on employee-related attitudinal variables and employee outcomes. Their premise was that employee attitudes act as one of the processes through which HRM influences behaviour and the results show the existence of both direct and indirect relationships linking HR practices to employee behaviour. This thereby brings us a step forward in our

understanding of the mechanisms linking HR practices and employee workplace behaviour and confirms the importance of developing the line of analysis further.

4.3 The conceptual model used in the present study

In the light of the above, I developed and tested a model to assess the impact of HR practices on several employee-related outcomes through the mediating effect of employee work experiences. The model was derived from an adaptation of Peccei's (2004) theoretical framework which came from a study he carried out to assess the impact of thirty three HR practices on employee related outcomes, based on analysis of data from the 1998 British Workplace Employee Relation Survey. Central to the framework is the concept that job satisfaction and stress among employees depend on their experiences at work which, in turn, are affected by the HR practices that are in place in their organisation.

The study focused on five key work characteristics/experiences that existing research suggested were likely to have a significant effect on employee workplace satisfaction and stress. These included employees' perceived levels of job demands and job control, their perceived wage-effort bargain and management support, as well as their sense of job security. Peccei acknowledged that HR practices could also affect employee outcomes directly through a range of mechanisms not included in the model.

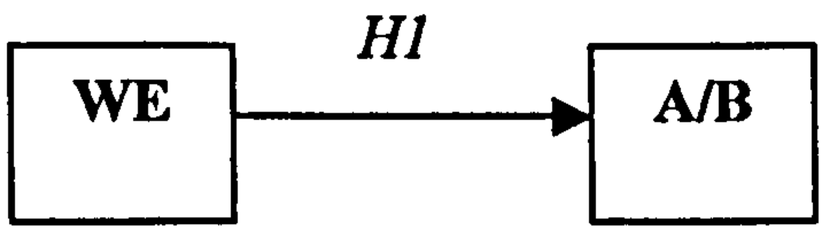
Drawing on Peccei's (2004) work, the model used is in the present research was therefore underpinned by three main assumptions:

- HR practices have an impact on employee attitudes and behaviour;
- the core mechanisms through which these effects occur is employee work experiences, it is these that mediate the impact of HR practices on employee attitudes and behaviour;
- it is also recognised that there may be other mechanisms through which HR practices may affect employee attitudes and behaviour. To the extent that these other mechanisms are operative and effective, it is also expected that HR practices

have a direct impact on attitudes and behaviour over and above the impact they may have through their effects on work experiences.

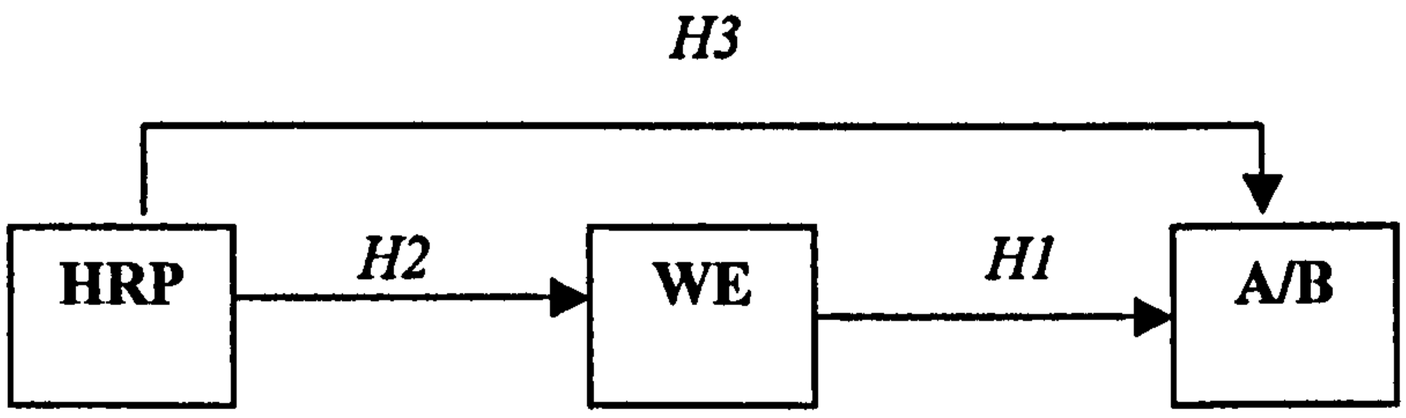
Our model of the relationship between HR practices and attitudes/behaviour therefore derives from three principal hypotheses:

H1: Work experiences have an impact on employee attitudes and behaviour; there is a direct relationship between key employee work experiences and their attitudes and behaviour.



H2: HR practices have an impact on work experiences; employee work experiences are significantly influenced by the HR practices in place in their organisation.

H3: An organisation's HR practices may directly affect employee attitudes and behaviour through alternative mechanisms not related to employee work experiences (such as, for instance, increased knowledge and skills)



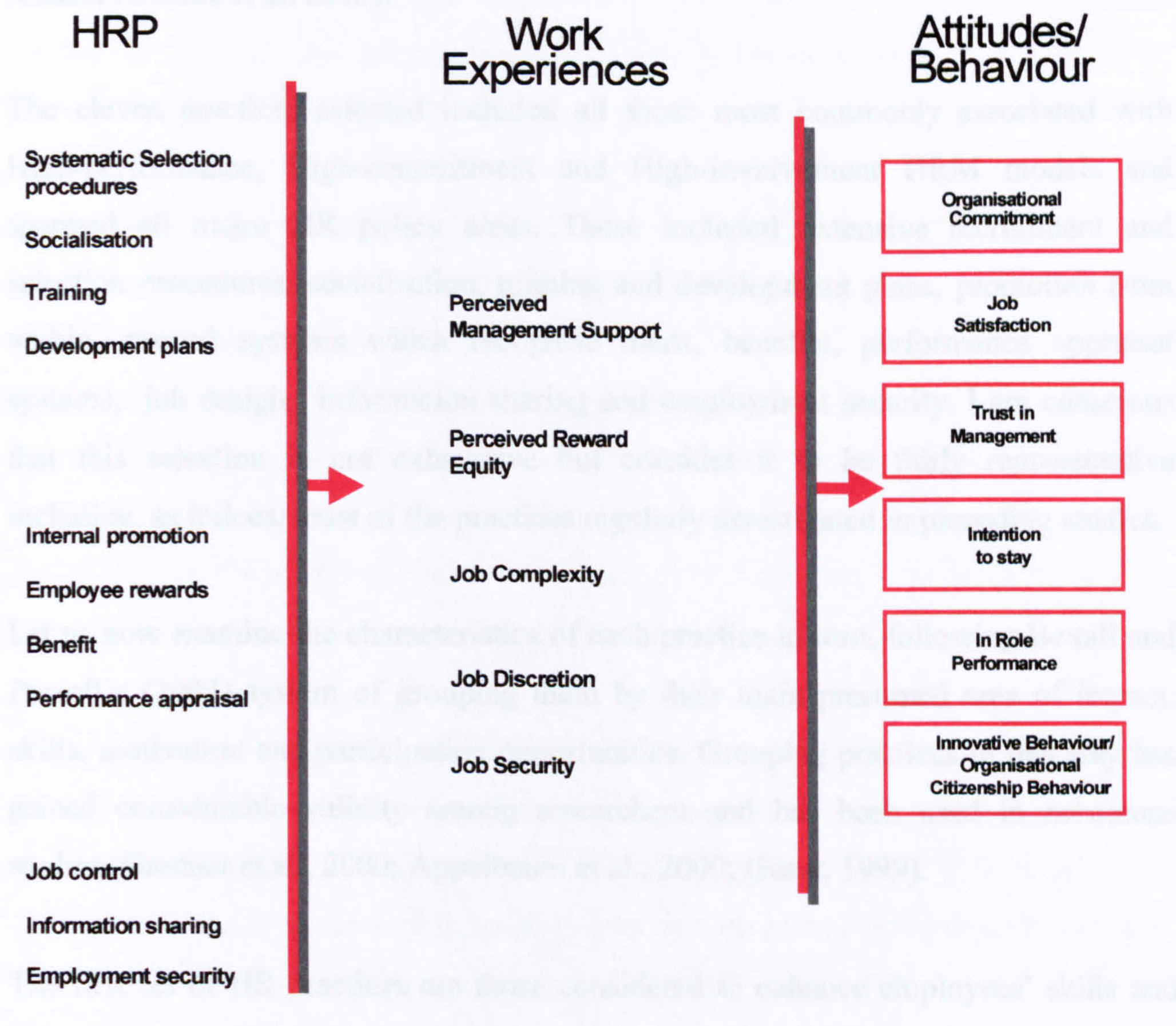
Hence the first component of the model is a range of core HR practices commonly associated with High-performance and High-commitment HR systems. These include the key people-focused HR practices that writers such as Guest (1999, 2001) and Bailey (1993) identify as the fundamental building blocks for improvement of employee skills, motivation and empowerment, and which come from the areas of selection, socialisation, training, development planning, internal promotions, contingent compensation and rewards, appraisal, job control, information sharing and employment security (see Figure 4.1).

The second component of the model comprises a number of perceived key job characteristics and work experiences that will be influenced by HR practices and which will, in turn, influence employee attitudes and behaviour towards their organisation. The specific work experience variables included in the model comprise those relating to employee perceptions of management support, of rewards equity, job complexity, job discretion and job security. These, as will be discussed more fully below, are key work experiences identified in the Organisational Behaviour literature as central to an understanding of a whole series of core employee attitudes and behaviours (see Figure 4.1).

The third part of the model covers those aspects of employee attitudes and behaviour that are believed to be affected by the work experiences outlined above. This means that our analysis focuses on key outcomes which are relevant to employees while also of interest to organisations. The outcomes selected – Job satisfaction, Organisational

Commitment, Trust in management, Intention to stay, In-role performance and Innovative Behaviour/Organisational Citizenship Behaviour – are broadly based and have also been used in various other studies (Appelbaum et al. 2000; Guest and Conway, 1999; Godard, 2001) (see Figure 4.1).

Figure 4.1 : A conceptual model of the impact of HR practices on employee experiences, attitudes and behaviour at work



4.4 The first component of the model: human resource practices

The first component of the model comprises a number of HR practices which many studies have hypothesised to affect performance at both corporate and individual level. However, it should be remembered that, as discussed in Chapter 3, although much empirical research, both macro and micro (Huselid, 1995; Pfeffer, 1998; Guest, 2001), has been carried out to show the positive impact on performance from the use of progressive, sophisticated HR practices, results have not always been consistent or reliable (Combs et al. 2006).

The eleven practices selected included all those most commonly associated with High-performance, High-commitment and High-involvement HRM models and spanned all major HR policy areas. These included extensive recruitment and selection procedures, socialisation, training and development plans, promotion from within, reward systems which recognise merit, benefits, performance appraisal systems, job design, information sharing and employment security. I am conscious that this selection is not exhaustive but consider it to be fairly representative including, as it does, most of the practices regularly investigated in preceding studies.

Let us now examine the characteristics of each practice in turn, following Boxall and Purcell's (2003) system of grouping them by their main presumed area of impact: skills, motivation and participation opportunities. Grouping practices in this way has gained considerable validity among researchers and has been used in numerous studies (Gardner et al., 2000; Appelbaum et al., 2000; Guest, 1999).

The first set of HR practices are those considered to enhance employees' skills and knowledge.

Systematic selection procedures: this is defined here as the extent to which an organisation works towards identifying the most suitable candidate for a job through the use of various selection tests and procedures. The overall aim of using systematic

selection processes is to obtain the right number and right quality of employees to satisfy the human resource needs of the company at minimum cost (Galluzzi and Sala, 2003). Taking a more sophisticated, more systematic approach to staff recruitment is a characteristic aspect of HRM. It requires care to be taken in specifying the skills and behaviour required of employees and for a variety of methods to be utilised in identifying the candidates who best match the specifications.

The methods most frequently adopted by the organisations in the present study were interviews, group assessments and tests. The importance of the practices lies, as Pfeffer (1998) commented, in the fact that they foster the sensation of being part of a special, elite group and gives employees entering an organisation high levels of positive feelings and motivation.

Socialisation: this is the extent to which an organisation has a formal, structured induction program to help newcomers and employees moving to a new position understand company policies, procedures and practices. There are four main objectives of socialisation: to smooth a newcomer's first days when everything is likely to be strange and unfamiliar; to instil a favourable attitude towards his/her new company quickly, so that he/she perceives the organisation as caring for its staff; to obtain effective output from new employees in the shortest time possible; and to reduce the likelihood of them leaving quickly (Armstrong, 2001).

Socialisation arrangements are beneficial because they spell out what an organisation expects in terms of the behavioural norms and values its employees should uphold, thereby clarifying the employer side of the psychological contract. The practice has further value since, by presenting an organisation as one that is worth working for, it should help foster employee commitment (Meyer and Allen, 1997).

Training: this relates to the extent to which employees are given opportunities to improve their performance and increase their skills and knowledge through learning. It is regarded as a form of corporate investment in the workforce whose return comes in terms of improved attitudes and behaviour (Hoque, 1999, Pfeffer, 1998). Training

programs are specifically designed, planned and implemented to meet distinct needs. In this, while individuals should be expected to take a considerable degree of responsibility for managing their own learning, they will often need the help and support of their direct managers and supervisors and of the organisation itself. Line managers and supervisors have a key role in planning and promoting learning but will often require encouragement in taking up this responsibility and seeing it as an important aspect of their duties (Armstrong, 2001).

There exist a wide variety of training techniques, many of them in use by the organisations taking part in our survey. The main distinction is between on-the-job and off-the-job training. The former relates to instruction or coaching by trainers or managers within the workplace. This has the benefit of allowing employees to apply what they learn as they learn it, but the effectiveness of the learning process depends heavily on the quality of the training given. Off-the-job training refers to specialised, specifically designed training courses but here the main disadvantage is the extent to which the knowledge acquired can be applied in practice (Armstrong, 2001; Serio, 2003).

Development plans: this is taken as the extent to which employees have been offered a career path by their company. Organisations follow different approaches in adopting development or career plans. The main differentiator is between adopting career plans for a small group of employees only, the so called top-performers or high-flyers, or providing them for the entire workforce (Armstrong, 2001). Both approaches were represented in our sample. In the first case the practice is seen as investing in those employees in whom the company has the greatest expectations; the latter approach is regarded as a means of maximising the potential of all employees through increasing their productivity and satisfaction. Both options have strengths and weaknesses, and while costs and strategic considerations will play a major part in which to choose the key issue for organisations is not just deciding which is more suitable but maximising the advantages and minimising the disadvantages of whichever they select (Armstrong, 2001).

In addition, today's flatter, leaner organisational structures have led to significant changes in the format of development plans, with opportunities for hierarchical advancements becoming increasingly limited, and career progress resultantly more often seen in terms of moving to new roles at a similar level (Galluzzi and Simeone, 2003).

The second group of HR practices are those considered to have an impact on employees motivation

Internal promotion: this signifies drawing from the internal labour pool when an organisation has a position to fill rather than bringing in someone from outside. An organisation which gives priority to internal candidates is implicitly giving its workforce the message that it is appreciated and that investment in it is worthwhile. Organisations which favour internal promotions usually adopt integrated systems which tie in closely with performance appraisal and development planning (Delery and Shaw, 2001). Usually these systems involve the companies in identifying a "talent pool" or group of top performers and setting out a career path for them (Galluzzi and Simeone, 2003). Job posting is another technique organisations can use to maximise internal promotions throughout their workforce, although it is only recently that this has started to spread in Italy.

Employee rewards: this is concerned with the formulation and implementation of strategies and policies to reward people fairly, equitably and in line with their worth to the organisation. In other words, it relates to the efforts made by an organisation to recognise and show appreciation for good work by its employees. The underlying objectives of the practice are to ensure that people feel they are valued and thereby to induce them to behave in ways which will satisfy both the organisation's and their own needs (Quarantino, 2003). Reward system practices are gaining in importance as they provide a sense of purpose and direction, and serve to align employee effort with the organisation's goals. They can therefore be considered as levers to increase employee motivation and improve their disposition towards the organisation (Quarantino, 2003).

Benefits: this deals with the extent to which an organisation provides employees with non-monetary remuneration. The objective is usually to ensure that the total remuneration package is attractive and competitive enough to draw and retain high-quality employees, and is tailored to their personal needs. As benefits generally operate to give protection, they are more likely to increase commitment than motivation (Meyer and Allen, 1997).

Benefit packages in Italy tend to differ to some degree from those provided in the UK and USA, where pension schemes and holidays or other forms of leave, such as maternity or parental leave, are common. In Italy, these are provided for by law and so are already received by all employees. Therefore benefits in Italy look more to personal security, through health or life insurance; to financial assistance, through loans; and to improving living standards, through the provision of mobile phones, cars or credit card facilities (Quarantino, 2003). As our sample reveals, though, less traditional benefits, notably the supply of fitness, recreational or nursery facilities, are becoming increasingly common.

Performance appraisal: this refers to the extent to which employees receive regular formal feedback on their performance (Armstrong, 2001). Performance appraisal allows both the appraiser and the staff member to look at past performance as a base for future development and improvement. It enables the two sides to get together and review not just the employee's performance but the development and the support provided by his/her manager. Providing information on how well jobs are perceived to have been carried out should facilitate improvements in employees' performance and increase their sense of involvement with their organisation (Delery and Shaw, 2001). This is likely to lead in turn to more positive working behaviour and attitudes.

The third and final group of HR practices are those considered to have an impact on employee opportunity to participate.

Job control: this relates to the adoption of job structures or work systems which bring greater involvement to skilled, motivated employees in determining what work is to be done and how. In other words, it relates to the involvement of employees in decisions affecting their job or working environment. Numerous researchers assert (Appelbaum et al., 2000; Guest, 1999) that where work settings are more participatory employees are expected to have considerable autonomy and control over their jobs and involvement in decisions affecting their work.

There are various ways in which organisations can increase employee involvement, as our sample reveals. They may implement specific procedures inducing employees to provide suggestions and ideas on their duties; or they may set up committees of employers and managers with the mandate of discussing company procedures and proposing improvements and changes.

Information sharing: this involves the adoption of an organised set of internal corporate communications policies. It relates to the extent to which managers share information downwards with employees and are available for upwards input. The importance of two-way employer-employee communications lies in the way it fosters employees' involvement and participation in organisational processes thereby improving their disposition towards their company (Delery and Shaw, 2001; Pfeffer, 1998).

As noted by Armstrong (2001), organisations usually aim to achieve three things when adopting an internal communications system: that employees understand and accept management plans for areas that affect them; that they feel commitment to the objectives, plans and values of the organisation; and that they have a greater appreciation of the contribution they can make to their organisation's success and how it will benefit them. Employees instead look to internal communications for information on changes in working methods and conditions; company plans which may affect pay or security; and changes to terms or conditions of employment (Pipitone and Sala, 2003).

There are numerous information systems, some of the most common being the company intranet, a company magazine and/or newsletters, notice-boards, and conventions, meetings and briefing groups. All these have been adopted by one or more of the companies in our sample.

Employment security: this refers to the degree of security of job tenure provided by an organisation. Although it is apparent that in today's economy not even the most senior levels of personnel are completely protected from redundancy, there are still companies in which employees feel that the risk of losing their jobs is minimal. Organisations may develop this sense of security through a formal or an informal policy directed towards fostering employee attachment. Employment security maintained over time facilitates the development of trust among employees and leads to more cooperative behaviour (Delery and Shaw, 2001; Pfeffer, 1998).

4.5 The second component of the model: employee work experiences

The second part of the model consists of a number of job characteristics and work experiences which can be influenced by HR practices and which can, in turn, influence employee attitudes and behaviour towards their organisation. The specific variables are Perceived Management Support, Perceived Reward Equity, Job Complexity, Job Discretion and Job Security.

This follows Peccei's framework (2004), as described earlier. It is worth reiterating at this point that the five Peccei variables were employee perceptions of the levels of job demands, job control, the wage-effort bargain and management support, and their sense of job security. We retained four of these variables but concluded that perceptions of the equity of the rewards system was more relevant to our analysis than feelings about wage levels.

Perceived Management Support relates to the extent to which employees sense that management is sincerely concerned about them. Comparative work, measuring employee perceptions of levels of management support and fairness, can be found in the Ramsay et al. (2000) analysis of links between HR practices and employee related

outcomes. Leading indicators of management support included in the present study are communications levels, i.e. the propensity of management to keep employees informed about important issues and developments, and management accessibility. Further important elements are the degree to which management involves employees in decisions affecting their jobs and working environment, and the extent to which it treats them with consideration. The model also took into account managers' supervisory skills, their ability to appreciate high-level work and extra effort, and the degree to which they encouraged skills development.

Perceived Rewards Equity is defined here as the extent to which employees perceive fairness in the way rewards, both tangible (such as salary and benefits) and intangible (such as promotion and recognition), are allocated by their organisation. It was determined by respondents being asked to evaluate their possibilities of getting ahead and of seeing their job provide them with new opportunities.

Job Complexity means the extent to which employees perceive their jobs as challenging. This is primarily in the sense of taking on problems that are difficult to solve but also involves the variety of activities undertaken: the greater the variety, the broader the levels of knowledge required and the greater the number of subject areas to be handled.

Job Discretion is defined as employees' perceived levels of autonomy in their activities. It embraces the opportunities they have to plan and carry out their work in the ways they consider best and the amount of responsibility they are given to perform their jobs unsupervised. Discretion was a further intermediate variable in the Ramsay et al. (2000) study.

Job Security refers to the extent to which employees feel secure in their jobs and the depth of their belief that management would only make people redundant as a last resort. This variable was also included in the Ramsay et al. (2000) study.

4.6 The third component of the model: employee attitudes and behaviour

The third component of the model relates to employee attitudes and behaviour. Here the analysis was focused on key outcomes which involve employees closely while also being of interest to the organisation. This was achieved by the use of a broad range of indicators comprising Job satisfaction, Organisational commitment, Trust in management, Intention to stay, In-role performance and Innovative Behaviour (IB)/ Organisational Citizenship Behaviour (OCB).

Our choice of variables took major account of those that have figured most prominently in previous micro/functional HRM research. Job satisfaction, Organisational commitment and Trust in management (the attitudinal variables) have appeared in several studies, most notably Appelbaum et al. (2000), Tsui et al. (1997), Guest (2002) and Godard (2001). Of the behavioural variables, IB/OCB and In-Role/Task Performance were those more frequently cited in previous work (Godard, 2001; Tsui et al., 1997), while Intention to Stay was examined by Tsui et al. (1997) and the related variable turnover by Gardner et al (2000).

These outcomes are self-report measures of actions and experiences. This means that the measures are subjective: they derive from respondents' perceptions of the issues on which they were questioned. Although, as Delaney and Huselid (1996) noted, perceptual data introduce limitations through increased measurement error, the use of such data is widely adopted in HRM analysis.

Job Satisfaction is defined as a pleasurable or positive emotional condition resulting from a worker's evaluation of his/her working experience. It is measured by the extent to which employees feel positively about their working environment and the degree to which they take pleasure in doing their job (Brief, 1998). Job satisfaction is influenced by a variety of intrinsic and extrinsic factors, most notably quality of supervision, social relationships within the workgroup and the degree to which individuals succeed or fail in their work. Other key factors are career opportunities, job influence and job challenge (Purcell et al. 2003).

Organisational Commitment is a multidimensional variable which expresses the degree to which employees identify with their employer, their attachment to their organisation and their willingness to expend effort on the organisation's behalf (Mowday et al., 1979). Of its three traditional components, affective, continuance and normative (Meyer and Allen, 1997), we focus on the first, in line with most HRM research in this area to date. As Meyer and Allen (1997) assert, affective commitment predominates in research for two main reasons. Firstly, multidimensional commitment models and the relevant measures have been developed only recently. Secondly, affective commitment is the most desirable form of commitment and the one that organisations are most likely to want to see in their workforce since it is most closely related to desirable behavioural outcomes such as staying in the organisation and engaging in both in-role and discretionary effort at work (Meyer and Allen, 1997).

Trust in Management is defined as the extent to which an employee has confidence in the actions of management and feels that it has good intentions towards him/her. The concept of trust has come under scrutiny in various disciplines and the different approaches have brought about differing connotations: economists often consider trust to result from a rational calculation of costs and benefits; psychologists view it as depending on the disposition of the individual; sociologists see it as rooted in embedded properties of network relations (Rousseau et al., 1998). We follow the Rousseau et al. (1998) definition of trust (p. 395): "a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intention or behaviour of another." Trust in this context is an attitude held by one individual (a trustor, in our case the worker) towards another (a trustee, in our case management). The degree of trust employees have in their company and its management reflects the extent of their confidence that their managers will not subject them to harm or improper risk (Appelbaum et al., 2000).

Intention to Stay is defined operationally as the level of an employee's intent to remain in his/her organisation. There is an increasingly important body of literature on the subject of turnover or, more generally, exit behaviour since the area is of

critical importance to both employers and employees. With the growing emphasis on employees as intangible assets, organisations are becoming steadily more concerned about the voluntary loss of employees as this can do serious damage to their social fabric, not to mention their performance (Dess and Shaw, 2001; Leana and Van Buren, 1999). In almost all models (Lee and Mowday, 1987; Price, 2000; Steers and Mowday, 1981) Intention to Stay, or Turnover Intention, is regarded as the immediate antecedent of turnover. It forms a very useful indicator of the influence of HR practices in this area as it closely reflects employees' line of thinking.

Innovative Behaviour (IB)/ Organisational Citizenship Behaviour (OCB) describes a set of spontaneous and innovative behaviour patterns, quite distinct from role-prescribed behaviour patterns, which are crucial to a company's success. Katz (1964) regarded it as one of the three essentials for organisational effectiveness: he considered that employees must be induced to remain in their organisation; they must carry out their specific role requirements in a dependable manner; and they must engage in innovative and spontaneous activity that goes beyond that prescribed by their role. The behavioural attributes themselves normally include helping co-workers, protecting the organisation, making constructive suggestions, self-development and spreading benevolence. Smith, Organ and Near (1983), defined citizenship behaviour as discretionary and going above and beyond the call of duty.

In-Role Performance refers to an employee's perceptions of his/her own performance and the degree of effort involved in achieving it. In order to measure this I used assessments of the quality and standard of individuals' work by the individuals themselves. Godard employed a similar variable, termed motivation, in his 2001 study, and I followed his lead in adopting self-reports.

4.7 The major associations already recognised among the model components

Having looked at the three core components of our model we now give an overview of the most widely agreed relationships among them. As our main objective in this research is to improve understanding of the impact of HR practices and work experiences on the six outcomes selected, the studies we review are those which

include these outcomes as dependent variables; work experiences and HR practices are analysed as antecedents. Support and guidance in this overview came from the vast Organisational Behaviour and micro/functional HRM literature, from which we have selected a few key examples of major associations. It is not our intention, in fact, to cover all the vast literature on the impact of Work Experiences on employees attitudes and behaviour, but rather to demonstrate that the present study is grounded in a solid research base.

Organisational Commitment. The vast majority of the numerous studies on the antecedents of Organisational Commitment (OC) have examined a range of work experiences (Meyer and Allen, 1997), most of them relating to job characteristics or managerial relationships (Mathieu and Zajac, 1990; Meyer and Allen, 1997).

Several of the studies focusing on job characteristics as antecedents of commitment have reported significant positive associations to OC. A high degree of job autonomy, opportunities to influence the job being done, and the chance to have input on problems of no easy solution have proved particularly strong predictors of Commitment. Specifically, the two main job characteristics variables used in the present research, namely Job Discretion and Job Complexity, have been widely acknowledged as improving organisational commitment among employees (Allen and Meyer, 1990; DeCotiis and Summers, 1987).

A number of the managerial relationship variables have also been shown to have a considerable impact on OC. Several studies have shown, for example, that commitment to an organisation is higher among employees who sense strong managerial support (Meyer and Allen, 1997). For instance, Eisenberger et al. (1990) measured Perceived Organisational Support among employees and found it to be strongly and positively associated with commitment.

The importance of supportiveness also emerges in research on the attributes of leaders and/or supervisors with links having been shown between affective commitment and leader consideration, supervisor supportiveness and leader-member exchange (DeCotiis and Summers, 1987; Mathieu and Zajac, 1990; Mottaz, 1988). In line with

the reciprocity norm (Gouldner, 1960) enhancement of an employee's affective commitment to his/her organisation is likely to result from the obligation to exchange caring for caring.

The extent to which employees are made to feel that they are important to their organisation is another central theme in the OC literature. Employees undoubtedly develop such feelings from a variety of work experiences, although fairness is of particular significance. The literature on the antecedents of OC propounds the importance of employees feeling that they are treated equitably, and there is considerable evidence supporting a link between affective commitment and fairness/equity (Konovsky & Cropanzano, 1991). Lind and Tyler (1988) assert that employees' perceptions of the fairness of the procedures adopted by their organisation might be considerably more influential in shaping affective disposition then satisfaction with their own personal outcomes.

The experience of working in a stable, reliable workplace is a further highly significant factor leading to organisational commitment, and employment security is widely acknowledged as a positive antecedent of commitment (Whitener and Waltz, 1993). Furthermore, numerous studies have also shown positive effects on organisational commitment from various Human Resource Management practices, most notably development plans, performance feedback, commitment-based rewards and incentive pay schemes. (Gardner et al., 2001; Whitener, 2001).

Job Satisfaction. Locke (1976:1300) defined job satisfaction as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" . This definition highlights the broad-based nature of the factors potentially influencing job satisfaction, although these nearly always include working conditions and the intrinsic nature of the job itself.

Hackman and Oldham (1975, 1976) found that the main determinants of job satisfaction stemming from the job itself were the variety of skills employed, the type of tasks undertaken, the significance of these tasks, autonomy and feedback. Hence

utilising a variety of valued skills, having a fair degree of discretion over how and when work is performed, producing the whole or a significant part of a product or service, and receiving information on how well the work is being carried out, should lead to high satisfaction levels.

Brief's definition of job satisfaction (1998) acknowledges the importance of both dispositional and situational variables. He found job satisfaction to be "directly influenced by how people interpret their jobs and those interpretations to be influenced by both their personality and the objective circumstances of their jobs" (p. 95), thereby adding weight to the importance of job characteristics as determinants of job satisfaction.

Several HR practices have been linked positively with satisfaction. Both Appelbaum et al. (2000) and Guest (2001) concluded that more job variety and better participation opportunities had significant positive associations with job satisfaction. Other practices associating positively have been information sharing, equal opportunities, actions to reduce harassment and family-friendly practices (Guest, 2001). In addition, George and Brief (1992) found a number of organisational rewards (money, recognition and fringe benefits) to have a positive effect on mood at work

Trust in Management. The importance of trust in interpersonal relationships for sustaining individual and organisational effectiveness has been highlighted by recent work in the organisational sciences (McAllister, 1995). Managers play a central role in any organisation in determining both the overall level of trust and the specific expectations of employees. It is managers who initiate most vertical exchanges, thus whatever level of trust or mistrust is evident in their actions may well be reciprocated. Moreover, managers design reward and control systems that are visible displays of base levels of trust and mistrust within the organisation as a whole. Managers also control the flow of certain types of information and the opportunity to share or not share key information in ways that influence the level of trust between or across organisational levels or units (Kramer and Tyler, 1996).

Given the nature of their role, managers affect trust in several ways that work along the lines previously outlined. Managers' beliefs and actions directly and indirectly influence both process-based and characteristic-based trust in organisations as they can increase or decrease the opportunities for exchange that could increase trust levels and they can diminish or increase characteristic differences, for example increasing or decreasing status symbols between levels or employing means of organisational socialisation that emphasise shared values. Perhaps more important, managers' overall attitudes and behaviour determine the initial level of trust expectations within the organisation, in effect enacting the context within which organisational processes will be embedded (Kramer and Tyler, 1996).

The HR practices that have been found to be positively associated with trust in management are participation opportunities, formal and informal training, employment security and information sharing (Appelbaum et al., 2000). Appelbaum and her colleagues additionally showed that trust is heightened by various aspects of managerial behaviour, namely sharing and delegation of control, demonstration of concern for employees, behavioural integrity and communications.

In-Role Performance. Rhoades and Eisberger (2002) reported that the perception of management support would heighten employee performance levels. One of the HR practices effective in this area is performance evaluation. It is believed that this directs and motivates employee behaviour by acting as a mediator between performance and rewards (Becker and Huselid, 1998; Huselid, 1995).

In-Role Performance was analysed in the micro/functional studies conducted by Godard (2001) and Tsui et al. (1997) but results were not comparable. Godard, analysing the impact of Alternative Work Practices on employees' effort in the performance of their job, found that the only significant association was a negative one with team autonomy. The Tsui et al. study (1997) examined the impact of four different employer-employee relationships and found that the highest employee performance scores came from a mutual investment relationship, where organisations offer training, career planning, employment security and internal promotion.

IB/OCB. A good deal of research has been carried out into identifying the determinants of Organisational Citizenship Behaviour (OCB) (Konovsky and Pugh, 1994; Lambert, 2000; Organ, 1988; Smith, Organ and Near, 1983). Smith et al. (1983) in an early OCB study suggested that, besides personality traits, innovative and extra-role behaviour could be influenced by environmental factors. They recognised that the supportiveness of a leader could have a direct effect on spontaneous behaviour. There are two possible reasons for this. Firstly, supervisors may be considered role models by their subordinates; indeed work in the social psychology field (Berkowits, 1980; Krebs, 1970) shows many forms of pro-social behaviour being influenced by role models. Secondly, patterns of social, rather than economic, exchange are often initiated by leader supportiveness. When management is perceived as being supportive and fair, social exchange and the reciprocity norm (Gouldner, 1960) leads to employees responding favourably. In this context Organ (1988) comments that OCB and innovative behaviour is one way in which employees are likely to reciprocate.

Studies looking at perceived organisational support (Eisenberger et al. 1986; Eisenberger et al., 1990; Settoon et al., 1996) have confirmed these theories, deducing that perceptions of high levels of organisational support create the sense of obligation in individuals to give something back.

Another workplace variable influencing OCB is task interdependence. Work patterns with a high level of interdependence demand frequent spontaneous behavioural adjustments by employees if activities are to remain coordinated (Smith, Organ and Near, 1983). Although our study focused on slightly different task-related work experiences, it can be argued that our variables Job Discretion and Job Complexity require similar coordination and mutual adjustment from employees. Van Dyne, Graham and Dienesch (1994) identified several further job characteristics which affect OCB, namely meaningful work, autonomy and a sense of personal control over one's activities.

There have been a number of studies of the relationships between HR practices and the development of extra-role behaviour. Deckop and Cirka (1999), for instance, analysed the impact of pay-for-performance and found, interestingly, that this could be positive or negative depending on employees' value alignment. Significant associations were also found for work/life benefits with three different OCB measures, all positive (Lambert, 2000).

Intention to Stay. Several studies have examined the degree to which employee perceptions of the level of support they receive from managers and the organisation itself, affect their desire to remain in that organisation (Nye and Witt, 1993; Witt, 1992). The meta-analytic analysis of Rhoades and Eisenberger (2002) showed a strongly positive relationship between Perceived Organisational Support and intention to stay.

Price (2000) developed a model for voluntary turnover based on the assumption, deriving from the exchange approach (Gouldner, 1960), that there is an exchange of benefit between employee and employer. The model identified a set of structural variables which included job autonomy, justice and social support. Research has shown that all these variables decrease turnover and increase intention to stay, the mechanism being their positive influence on Job satisfaction and Organisational commitment

Research into the effects of Human Resource Management practices on voluntary turnover have identified a number of practices which have an influence on an employee's decision to stay in his/her organisation or leave it. Osterman (1987) revealed that investment in areas such as pay and benefits reduces voluntary turnover. Strategic HRM suggests that voluntary turnover is also reduced by commitment-enhancing HRM systems (Arthur, 1992). Common to this work is the notion that employees maximise their own interests and their financial and psychological outcomes, and that they remain with an organisation when their overall self-interest is maximised by so doing.

4.8 Chapter summary

In this chapter we first described the conceptual model adopted to evaluate the mediating effects of a range of work experiences between a number of HR practices and employee attitudinal and behavioural outcomes.

We then discussed each of the variables in each of the three components of the model in turn, HR practices, work experiences and attitudes and behaviour, followed by a look at the best established relationships between these variables that have already been demonstrated in published work.

We now move on to describe the empirical methodologies and measures used in testing the model.

CHAPTER 5

RESEARCH METHODOLOGY

5.1 Introduction

This chapter explains the methodology used to test the conceptual model discussed in the previous chapter. It begins with a detailed description of the research design, with particular emphasis on the characteristics of the participating organisations. This is followed by an explanation of the survey tools used for both parts of the dataset, the employees and the HR managers, and a description of how the data were collected. Finally, the chapter describes how the sample was constructed.

5.2 Research design

The study involved a structured survey of 2,175 employees from twelve Italian organisations which varied greatly in terms of size and the sectors in which they operate. The companies were Balfour Beatty, Boheringer, Candy, Gore, GRTN, Kimberly Clark, KPMG, Mantero, STMicroelectronics, Technogym, TicketOne and Trivellato.

The size of a company plays a significant part in employer-employee relationships, since size often has a major effect on numerous aspects of working conditions. In small companies the management of human resources is generally quite informal and rarely supported by structured procedures or policies, whereas larger companies usually find it necessary to introduce complex, highly developed personnel systems (Forth, Bewley and Bryson, 2006; Kersley, Alpin, Forth, Bryson, Bewley, Dix and Oxenbridge, 2006). In order to cover a broad range of situations, it was decided that the sample should comprise companies of differing sizes. Hence, it included STMicroelectronics, with 5,500 employees, Candy with 2,200, Kimberly Clark,

Mantero and Boheringer, all with a staff of between 900 and 1,000, GRTN, with 700 employees, Technogym with a workforce of slightly over 600, KPMG with 550, Balfour Beatty with approximately 250 people, and the smaller enterprises of Trivellato (166), Gore (85) and TicketOne (36).

Operating sector is also important, as it can have a significant influence on working processes (Kersley et al. 2006). Therefore, once again, the sample was chosen to be as varied as possible, including companies engaged in production, distribution, marketing and consultancy. GRTN is a recently founded company that operates in the field of electricity generation. Candy, Balfour Beatty, Kimberly Clark and Technogym are all manufacturing enterprises, but producing quite different goods: home appliances, tram and railway rails, personal hygiene products and fitness equipment respectively. Two companies, Mantero and Gore, work in the clothing sector, the former in the production of silk garments, and the latter in the production of highly technological, innovative textiles. There were three service (or intangible goods) providers, KPMG, a management consultancy, STMicroelectronics, a provider of IT products and services and TicketOne, which provides ticketing services. The sample was completed by a pharmaceuticals company of international renown (Boheringer) and a prestigious German car dealership (Trivellato).

Access to these companies was facilitated by an arrangement I had made with the Italian branch of Great Place to Work, a research institute which carries out an annual survey to identify and rank the 35 Italian companies considered by their workforces to have the most positive organisational climate.

The Italian branch of Great Place to Work was established recently and its activities came to my note through an article in the highly regarded Italian financial newspaper *Il Sole 24 Ore*, which publishes its survey results. The information provided by the article, a detailed look at the company's website and a reading of "A Great Place to Work", the book written by its founder Robert Levering (2001), led me to the realisation that the Great Place to Work survey design had numerous aspects in

common with my proposed research approach and that further investigation into their methodology could well be of great benefit to my study.

I therefore arranged a meeting with the Managing Director of the Italian office from whom I gained a clear understanding of the Great Place to Work approach and the methodology used in its annual survey. Its aim is to determine how employees regard the quality of their workplace, and the analysis and results are more complex than traditional single parameter work. For instance, taking job satisfaction as an example, an employee might be very satisfied with his/her job without necessarily feeling that the company is a great place in which to work. In fact, according to their model, a great place to work is one in which employees trust the people they work for, have pride in what they do, and enjoy the people they work for.

In its survey analysis the Great Place to Work Institute focuses on five criteria related to employee work experiences. Three of these, credibility, respect and equity, measure employees' trust in management; the other two, pride and camaraderie, assess their feelings about their jobs and their colleagues. The research methodology involves two questionnaires, one for employees, the other for senior HR managers.

The similarities with the proposed research design for the thesis, both in terms of approach and of methodology, led me to the conviction that a collaboration with the Great Place to Work Institute could bring major benefits to my own work. In particular, I felt that the Institute could be of significant assistance in helping me to gain access to appropriate organisations. This is one of the thorniest aspects of all organisation-based empirical research and is even more problematic in Italy where it is still unusual for companies to agree to take part in surveys, especially those for academic research, if they involve employee involvement. For this reason I felt that Great Place to Work, with its hundreds of established Italian contacts, could be invaluable for the conduct of the research.

To my great satisfaction, the Institute showed serious interest in the proposed research project and its hypotheses, and felt that the results might result in an

extension of their model and a further stream in the development of their consultancy work. This led to an agreement whereby I assisted without recompense in their annual survey project and they reciprocated by helping me to recruit the companies for my own study. I also agreed, with the knowledge and consent of the participating organisations, to supply them with the full research results at the end of the project.

The result of this collaboration was that twelve companies from the Great Place to Work 2003 Best Workplaces Survey also agreed to take part in the present study. In order for employees to be surveyed once only, I took the Great Place to Work questionnaire as a basis and then added a number of items so as to be able to have sufficient information to test the various components of the research model outlined in the previous chapter. The survey instrument is described in more detail below.

5.3 Units of analysis and sources of information

The importance of adopting a multilevel approach in HRM research is gaining increasing acceptance (Smithey Fulmer, Gerhart and Scott, 2003; Ostroff and Bowen, 2000). Several macro/strategic studies have been at aggregate level, with company departments or business units forming the unit of analysis, while micro/functional researches have more often taken the individual as the unit of analysis. There is no fault with either choice although each represents only one side of the coin.

Since the end recipients of HR practices are a company's individual employees, it can be argued that they form the most appropriate analysis unit. But HR practices are also often directed at employee groups, those with, say, similar job profiles or job characteristics. Hence, although each employee will have a personal experience of HR practices, there are also experiences common to those in the same occupational group or business unit, which brings legitimacy to these groups forming analysis units.

Ostroff and Bowen (2000) have stated that if we are to advance our understanding of the effects of HRM on employees we must examine both aggregated data (data

averaged across relevant groups) and that relating to individuals. The present study followed this proposition and the statistical analysis was carried out first at individual level and then at aggregate level, the data averaged for each occupational group across the twelve organisations. This also allowed us to determine the extent to which individual and aggregate level results presented parallel findings (Smithey Fulmer, Gerhart and Scott, 2003).

In addition, there is still open debate among HRM researchers on the most suitable information sources. Macro/strategic researchers tend to favour HR managers or other senior managers, while micro/functional researchers usually prefer employees (Appelbaum et al. 2000; Godard 2001; Guest, 1999; Guest and Conway, 1997; Purcell, 1999). Again both solutions have validity and both are effective, although both have weaknesses. HR managers may be a source of inaccuracy if they provide information on outcomes, for instance, as they may be tempted to exaggerate the extent of HRM implementation (Guest, 1999). Employees, on the other hand, may not be fully aware of the full range of practices adopted by their organisation nor of the extent to which they apply throughout the workforce

I therefore came to the decision to use joint information sources in the study, bringing greater accuracy to the measurement of the effects of HR practices on employees. Different information was requested from each of the two sources, care being taken to ensure that respondents were not asked for inappropriate particulars.

HR managers were asked about the HR practices adopted by their company and, as far as possible, to which employee groups they were applied. This allowed us to match individuals to the policies and practices they actually experienced. There is already broad consensus on the differential application of HR policies in companies. As Lepak and Snell (1999) described, some employee groups are more instrumental to a company's success than others and so are likely to be managed differently. As a result HR practices are rarely applied blanket-fashion but are concentrated on those employees whom the company considers to be more distinctive and valuable.

Employees were asked for information only on the range of work experiences that were unequivocally linked to their company's HR practices and on the relevant employee related outcomes.

Collecting data in this way from two sources led to a more integrated approach, bringing together the macro/strategic and micro/functional HRM strands. As Wright and Boswell (2002) have commented, the time is ripe to unify the field. And although there has been progress in both macro and micro HRM research, there is still a long way to go. It is now acknowledged that these parallel lines of research must start to converge if the impact of HRM on organisational effectiveness is to be properly understood.

5.4 The development of the survey tools: the employee questionnaire

The employee questionnaire was devised to collect data on employee perceptions of a number of work experiences and specified employee related attitudes and behaviour in the workplace.

A thorough search of the relevant literature was first carried out to identify measures that have previously been used to operationalise the various constructs presented in the conceptual model. This led to several validated, established scales with good psychometric properties being identified for adoption in the survey questionnaire (Cook and Wall, 1980; Mayer and Allen, 1997; Peccei and Rosenthal, 1997; Organ, 1988).

As already stated, the development of the questionnaire involved an adaptation of the one utilised by the Great Place to Work Institute in its annual survey. The agreement with the Institute was that I could add a number of questions to their questionnaire as long as it did not make it too long and therefore unduly taxing for respondents. Hence I examined the 53 items on the Great Place to Work questionnaire in depth, identifying those which could substitute for items on the scales found in the literature without altering their overall meaning. Table 5.1 below shows the list of statements in the Great Place to Work questionnaire.

Table 5.1 – The Great Place to Work list of statements

	Great Place to Work® Trust Index©
1	Management keeps me informed about important issues and changes.
2	Management makes its expectations clear.
3	I can ask management any reasonable question and get a straight answer.
4	Management is approachable, easy to talk with.
5	Management is competent at running the business.
6	Management does a good job of assigning and coordinating people.
7	Management trusts people to do a good job without watching over their shoulder.
8	People here are given a lot of responsibility.
9	Management has a clear view of where the organisation is going and how to get there.
10	Management delivers on its promises.
11	Management's actions match its words.
12	I believe management would lay people off only as a last resort.
13	Management is honest and ethical in its business practices.
14	Management shows appreciation for good work and extra effort.
15	Management recognises that honest mistakes are part of doing business.
16	I am given the resources and equipment to do my job.
17	I am offered training or development to further myself professionally.
18	Management genuinely seeks and responds to suggestions and ideas.
19	Management involves people in decisions that affect their jobs or work environment.
20	This is a physically safe place to work.
21	This is a psychologically and emotionally healthy place to work.
22	Our facilities contribute to a good working environment.
23	People are encouraged to balance their work life and personal life.
24	Management shows a sincere interest in me as a person, not just an employee.
25	We have special and unique benefits here.
26	I am able to take time off from work when I think it's necessary.
27	People here are paid fairly for the work they do.
28	Everyone has an opportunity to get special recognition.
29	I am treated as a full member here regardless of my position.
30	Promotions go to those who best deserve them.
31	Managers avoid playing favourites.
32	People avoid politicking and backstabbing as ways to get things done.
33	People here are treated fairly regardless of: - Age - Race/ethnic origin/religion (adapted nationally) - Sex - Sexual orientation - Disability
34	If I am unfairly treated, I believe I'll be given a fair shake if I appeal.
35	I feel I make a difference here.
36	My work has special meaning, this is not "just a job".
37	I plan on working here until I retire.
38	When I look at what we accomplish, I feel a sense of pride.
39	People here are willing to give extra to get the job done.
40	I'm proud to tell others I work here.
41	People look forward to coming to work here.
42	I feel good about the ways we contribute to the community.
43	This is a friendly place to work.
44	This is a fun place to work.
45	I can be myself around here.
46	When you join the company, you are made to feel welcome.
47	When people change jobs or work units, they are made to feel right at home.
48	People celebrate special events around here.
49	People care about each other here.
50	There is a "family" or "team" feeling here.
51	We're all in this together.
52	You can count on people to cooperate.
53	Taking everything into account, I would say this a great place to work.

Many of the statements on the list were of direct relevance to our model's attributes. In the case of the work experiences variables relating to Perceived Management Support and Perceived Rewards Equity, and of the outcome variables of Job Satisfaction, Trust in Management and Organisational Commitment, they covered our assessment needs reasonably well. However, the statements were only partly sufficient for tapping the work experience variable of Job Security and the outcome variables concerned with In-Role Performance, IB/OCB and Intention to Stay. To capture these constructs additional items were then required. Furthermore, Job Complexity and Job Discretion were not analysed under the Great Place to Work model so all the items designed to measure these work experiences had to be added to the questionnaire.

An additional 24 items (see Table 5.2) were eventually agreed, creating a 77-item questionnaire which was used solely for the twelve companies taking part in the present study.

Table 5.2 - New statements added to the Great Place to Work Survey

54	I have a very good chance to get ahead with my organisation
55	This job will open up new opportunities for me
56	I can plan my own work
57	I feel my job in this organisation is secure
58	People working here are encouraged to develop their skills
59	I can carry out my work in the way I think best
60	I am paid fairly in view of my responsibilities and experience
61	I have the opportunity to do a number of different things
62	The duties in my job are not repetitive
63	I am required to deal with problems that are difficult to solve
64	I have to solve problems that have no obvious answer
65	I find enjoyment in my work
66	Overall, I am satisfied with my job
67	I feel myself to be part of this organisation
68	I feel a strong sense of belonging to this organisation
69	I would be reluctant to leave my present employer
70	I often do more then is required of me in my job
71	I often work extra hours as and when necessary
72	I often come up with creative solution in my work
73	I work very hard continuously to innovate the outcomes of my work
74	My work performance is generally in line with my senior manager 's expectations
75	I am doing very well on my job considering my ideal standard
76	My senior manager values my contribution at work
77	All in all, this job has lived up to my expectations

Table 5.3 below shows all the items used in the questionnaire, grouped according to the variables in our conceptual model, thereby giving a simple overview of the statements used to evaluate the five work experiences and the six attitudes and behaviours. The final version of the full Italian questionnaire appears in Appendix 5.1, followed by the English translation of the instrument that has been used in the thesis (Appendix 5.2).

Table 5.3 – List of statements adopted in the survey

Perceived management support	
Great place to Work	**My Questionnaire**
Management keeps me informed about important issues	People working here are encouraged....
Management makes its expectations clear	
I can ask management any reasonable question	
Management is approachable, easy to talk with	
Management trusts people to do a good job.....	
People here are given a lot of responsibility	
Managers avoid playing favourites	
Management shows appreciation for good work and ...	
I am offered training or development to further....	
Management genuinely seeks and responds to..	
Management involves people in decisions that affect...	
Management shows a sincere interest in me as	
I am treated as a full member here regardless of my	

Rewards equity	
Great place to Work	**My Questionnaire**
Promotions go to those who best deserve them	I have a very good chance to get ahead. .....
People here are paid fairly for the work they do	I am paid fairly in view of my responsibilities .....
Everyone has an opportunity to get special recognition	
We have special and unique benefits here	

Job complexity	
Great place to Work	**My Questionnaire**
	I am required to deal with problems that are difficult
	I have to solve problems that have no obvious ....
	The duties in my job are not repetitive
	This job will open up new opportunities for me
	I have the opportunity to do a number of different ...

Job discretion	
Great place to Work	**My Questionnaire**
	I can carry out my work in the way I think best
	I can plan my own work

Job security	
Great place to Work	**My Questionnaire**
I believe management would lay people off only as ...	I feel my job in this organisation is secure

Job Satisfaction	
Great place to Work	**My Questionnaire**
This is a fun place to work	I find enjoyment in my work
Taking everything into account, I would say this is ...	Overall, I am satisfied with my job
	All in all, this job has lived up to my expectations

Organisational commitment	
Great place to Work	**My Questionnaire**
When I look at what we accomplish, I feel a sense of ...	I feel a strong sense of belonging to this organisation
I feel good about the ways we contribute to the	I feel myself to be part of this organisation
People look forward to coming to work here	
I'm proud to tell others I work here	
There is a "family" or "team" feeling here	

Trust in Management	
Great place to Work	**My Questionnaire**
Management delivers on its promises	
Management's actions match its word	
Management is honest and ethical in its business	
Management is competent at running the business	
Management does a good job of assigning and	
Management has a clear view of where	

Intention to stay	
Great Place to Work	**My Questionnaire**
I plan on working here until I retire	I would be reluctant to leave my present employer

In-role performance	
Great Place to Work	**My Questionnaire**
I feel I make a difference here	My work performance is generally in line with .....
	I am doing very well in my job considering ....
	My senior manager values my contribution ....

Innovative/ OCB	
Great Place to Work	**My Questionnaire**
People here are willing to give extra to get the job done	I often do more then is required of me in my job
	I often work extra hours as and when necessary
	I often come up with creative solution in my work
	I work very hard continuously to innovate ....

The full questionnaire was then shown to the HR manager of each of the twelve organisations in order to check its comprehensibility. The wording of a few items was slightly modified to conform with the requests of some HR managers.

All measures employed five-point Likert-type scales and required the respondent to indicate the extent to which he/she considered each item to be true using a response scale ranging from "Almost always untrue" to "Almost always true".

5.5 The development of the survey tools: the HR managers' questionnaire

As already stated, the annual Great Place to Work Survey also surveyed HR managers, with the aim of collecting information on the policies and procedures companies apply to their employees. Therefore the development of our HR managers' questionnaire was also based on the one produced by Great Place to Work.

The Great Place to Work management questionnaire is in two sections. The first seeks factual information on topics such as industrial sector, ownership, main changes taking place in the last few years and employee demographics, requiring quantitative responses from HR managers. The second part comprises a number of open-ended questions on the company's HR policies. These allow respondents to describe in some detail what is distinctive about their company's HRM system and to provide information on a number of HR practices considered to affect performance, both at organisational and individual levels.

The selection of the practices followed the indications of numerous authors (Appelbaum et al. 2000; Combs, et al., 2006; Guest, 2001; Pfeffer, 1998;) with those chosen being *Systematic Selection procedures*, *Socialisation, Training, Development plans, Internal promotions, Employee rewards, Benefits, Performance appraisal, Job control, Information sharing* and *Employment security.*

The questionnaire was already so lengthy and comprehensive that only one question, involving five items, was added. Its objective was to assess the degree to which the

organisation supported certain principles. Measurement was on a five-point scale from "opposes" to "strongly supports".

Table 5.4 below shows all the questions in the questionnaire, including both those of Great Place to Work and the added items. The full, final version of the Italian questionnaire and its English translation appears in Appendix 5.3 and Appendix 5.4 respectively.

Table 5.4 – HR managers' questions

Great Place to Work Questions	Added Questions
1. Does your organization have any special or unique benefits (including methods of compensation)? 2. What are the distinctive ways in which management (especially senior management) shares information with employees? How do they make themselves available for input from employees? 3. We would like you to provide us with information about lifelong learning opportunities that you provide for your employees. This would include formal, on-the-job training, informational resources, specific incentives, and opportunities employees have for professional and/or non professional development. 4. Are individual employee development/ competence plans drawn up for all levels of employee? 5. In which ways does your company involve employees in decisions which affect their job or workplace? 6. In which ways are employees provided feedback about their performance? 7. How does your company facilitate good relations between employees? Are there any orientation programmes specifically designed for new hires or employees entering a new job?	Below are listed a number of principles. We would like you to consider each in turn and indicate the extent to which the organization you work for supports the principle using the following categories *1. It's a principle the organization opposes* *2. It's a principle about which our organization has no clear view* *3. The organization would probably claim to support this principle but is unlikely to give it much priority in practice* *4. It's a principle that the organization actively supports and tries to practice* *5. It's a principle the organization strongly supports, makes determined steps to practice and monitors to ensure its implementation* • Selection procedures should be very difficult and selective • Employees should be rewarded for their results • Internal promotions should be preferred • Employment security should be guaranteed

The responses provided a vast amount of information, respondents giving detailed explanations and descriptions of each practice. I firstly considered ranking the level of application of each practice for each of the twelve companies, but this approach seemed to lead to a somewhat subjective, arbitrary classification. Instead, it was decided to convert all the information from the Great Place to Work section into

dichotomous variables, thereby registering only the presence or absence of each practice. This ensured a high level of homogeneity across items. The five-point scale for the information coming from the added part of the questionnaire was retained.

5.6 Data collection

Data collection followed a multi-stage approach, both quantitative and qualitative information being collected.

5.6.1 Quantitative data collection

All employees in each company received an internal communication informing them that the organisation was taking part in a survey which required their collaboration and that some of them had been randomly chosen to represent the company and would receive a questionnaire to complete. The letter, sent by internal mail or email, explained that the objective of the survey was to assess employee satisfaction with the company. Assuring employees of the highest level of anonymity and confidentiality, they were asked to answer the questions according to their perceptions of their working conditions.

The letter also contained instructions on how to return the questionnaire. Some companies requested respondents to leave the completed questionnaire in a sealed box prepared by the HR department, whilst others requested that they return the questionnaire using a post-paid envelope addressed to Great Place to Work.

The HR managers' questionnaires were also accompanied by a presentation letter, despite the fact that all the managers were already well aware of the initiative and its scope.

The surveys at the twelve companies took place during the summer 2002 and each organisation oversaw its own questionnaire distribution, determining the start and the end of the survey so that its peak vacation period was avoided. Three weeks were assigned for completion of the survey. Several companies sent a follow-up reminder

message at the end of the second week to encourage those who had not already completed the questionnaire to do so.

5.6.2 Interviews

In order to test the accuracy and reliability of the information supplied I then conducted a telephone interview with each of the twelve HR mangers who had overseen the project and responded to the HR questionnaire.

I initially asked them for information on the procedures adopted for the employee survey, as we required confirmation that the sample was accurate. The choice of respondents had been left to the companies, although Great Place to Work provided instructions on selection so that the sample met requirements of both randomness and representativity. I needed to be sure that these instructions had been correctly carried out.

Next, to avoid HR Managers' responses being used indiscriminately, I asked them to explain in detail which practices were applied to which professional groups. This allowed me to follow Guest's proposal (2001) and link practices to employee categories.

I then moved on to the primary aim of these interviews, that of substantiating the information given by the HR managers, and asked each manager to elaborate on the details he/she had provided in the questionnaire. This meant that the interview also became a way of gaining a fuller understanding of each organisation, its culture and its characteristics. All the HR managers interviewed were very positively disposed towards the project and assisted willingly. They gave details of the organisational structure of their company, its market strategy and positioning, and, in some cases, information on major changes that had taken place.

5.6.3 Company information

Although the HR manager interviews provided considerable information on the twelve companies, it was thought worthwhile to broaden the picture further by

looking at their websites. The primary aim was to gain an even clearer understanding of each company's business and other activities that might influence employee attitudes. I also noted the information given on company policies and procedures, as a double check on what I had been told by the HR managers.

Since websites are generally aimed at promoting an organisation's public image, they are not usually developed nor managed by the HR department. They act as a company presentation to the outside world and therefore the information they give comes under strict internal scrutiny. The information provided by HR managers, on the other hand, may be subject to exaggeration as they may seek, even unconsciously, to aggrandise the importance of their department and its activities thereby inflating impressions of the organisation's concern for its workforce.

The websites provided useful information on a range of topics, including details of the main characteristics of the organisation, its history, the major changes it had undergone through mergers or acquisitions, its strengths and the attributes distinguishing it from its competitors. Each website also had a section discussing workforce activities and initiatives. The style was often overtly emphatic as it was aimed at encouraging new job applicants but was nevertheless detailed and pertinent, and enabled me to cross-check and corroborate some of the information provided by the HR managers.

5.7 Sample

The employees involved were selected randomly by the companies themselves, so as to obtain a sample that represented the overall population as closely as possible. With the smallest companies i.e. Balfour Beatty (250 employees), Gore (85 employees), Trivellato (166 employees) and TicketOne (36 employees) the survey involved almost all employees. With GRTN (700 employees), KPMG (550 employees), and Technogym (650 employees) 50% to 70% of the total workforce was involved in the survey. For Boheringer (1,000 employees), Kimberly Clark (1,000 employees), and Mantero (975 questionnaires) 30% were involved; whilst Candy (2,200 employees)

involved 20% and STMicroelectronics (5,500 employees) just 10% of their employees.

Employees responded on a voluntary basis. Response rates at all sites were high, in many cases exceeding 70%. Details are given in Table 5.5.

The second part of the quantitative analysis involved each company's HR manager in filling out the questionnaire described above eliciting information on the HRM systems in place in his/her company. All the managers cooperated fully and in some cases supplemented their responses with internal documents, such as values/mission statements or recruitment and orientation materials, which brought greater understanding of the organisation's characteristics and culture.

A total of 3,497 questionnaires were distributed across the twelve sites. Of these, 2,175 were returned by the cut-off date of 30 September 2002. This constitutes an overall response rate of 62.2%, which compares favourably with that of other surveys of this kind (Dillman, 2000; Duhan and Wilson, 1990) (Table 5.5).

Table 5.5 – Response rates

Company	Number of employees	Number of questionnaires distributed	Number of questionnaires recived	Response rate
Balfour Beatty	250	242	103	42.5%
Boehringer Ing.	1.000	330	236	71.5%
Candy	2.200	390	138	39.4%
Gore	85	83	52	62.6%
GRTN	700	500	262	52.4%
Kimberly-Clark	1.000	320	213	66.5%
KPMG	550	300	184	61.3%
Mantero	975	350	308	88.0%
STMicroelectronics	5.500	430	255	52.3%
Technogym	650	350	281	80.2%
TicketOne	36	36	36	100.0%
Trivellato	166	166	107	64.4%
Total	**13.112**	**3.497**	**2.175**	**62.2%**

Particular attention was given to identifying missing data in returned questionnaires, as this can distort the statistical analyses and lead to inaccurate results. The final sample consisted of 1,747 employees, for whom data were available on all the main variables. The rate of survey validity differed from company to company, varying from 68.5% at Mantero to 91.1% at Technogym. Overall, the survey had an 80.3% validity rate (Table 5.6).

Table 5.6 – Validity Rate

Company	Number of questionnaire recived	Number of valid questionnaires	Validity rate
Balfour Beatty	103	77	74.7%
Boehringer Ing.	236	182	77.1%
Candy	138	104	75.3%
Gore	52	41	78.8%
GRTN	262	215	82.1%
Kimberly-Clark	213	170	79.8%
KPMG	184	167	90.7%
Mantero	308	211	68.5%
STMicroelectronics	255	210	82.3%
Technogym	281	256	91.1%
TicketOne	36	29	80.5%
Trivellato	107	85	79.4%
Total	**2.175**	**1.747**	**80.3%**

5.8 Chapter summary

The aim of this chapter was to describe the methodology applied in the study. Details of the research design were provided, including a full description of how access to the organisations involved was achieved and the major contribution provided by the Italian branch of the Great Place to Work Institute, with which there was a collaborative approach.

Particular detail was given on the development of the two survey tools, the employee and the HR managers' questionnaires, both being obtained by modifications to those already in use by Great Place to Work.

Both the quantitative and the qualitative data collection processes were set out in detail and a description of the sample, including the total number of respondents, the response rate and the validity rate, concluded the chapter. The next chapter provides a more detailed discussion of the organisations which participated in the research and of the main measures used in the analysis.

CHAPTER 6

THE MEASURES EMPLOYED AND THE ORGANISATIONS INVOLVED IN THE RESEARCH

6.1 Introduction

This chapter first gives a detailed description of the steps used to operationalise all components of the conceptual model discussed in Chapter 4: the HR practices, the work experiences and the attitudes and behaviour, both individual and aggregate. It then moves on to provide a number of comparisons of the twelve companies, in terms of their mean scores for the HR practices, and for employees' work experiences and their attitudes and behaviour.

The final part of the chapter is given over to a discussion of the twelve organisations involved in the study, providing an overview of each organisation, describing its field of activity and, in particular, its broad approach to its workforce.

6.2 Survey measures

As described in the previous chapter, in order to avoid the risk of common method variance (Podsakoff et al. 2003) I used separate sources of information for the predictor and criterion variables and therefore produced one questionnaire for employees, to furnish solely the data on work experiences and attitudes and behaviour, and a separate one for HR managers, who were to give the requisite information on HR practices

6.3 Human Resource practices

As discussed in Chapter 5, the HR managers' questionnaire on the HR practices in place in their organisation, was an extension of the one used by Great Place to Work

in its annual survey. Eleven HR practices were covered which were measured and operationalised in three main ways. Six of the HR practices (all from the Great Place to Work section), namely *Socialisation, Benefits, Information Sharing, Performance Appraisal, Development Plans* and *Job Control*, were measures as dichotomous variables, each practice being simply registered as present or absent. A five-point scale from "opposes" to "strongly supports" was used to measure the four practices added specifically for the present study (i.e. *Systematic Selection Procedures, Internal Promotion, Employee Rewards* and *Employment Security*). The final HR practice, *Training,* came from the Great Place to Work section but here the interviews with the HR managers made it possible to broaden the operalisation to a seven-point scale based on the number of days of training provided (from 0 for none to 6 for six days or more).

In order to explore the overall impact of the combined set of practices on employee work experiences and outcomes further, a composite additive HRM index was also constructed at both individual and aggregate level. This composite additive index was constructed by computing the mean of the standardised scores of the eleven HR practices at individual and aggregate level separately. The individual level index was labelled HRM11, while the aggregate level HRM index was labelled AHRM11. The scope and application of these two variables will be described in detail in the following chapters.

6.4 Work experience variables

As discussed in the previous chapter, the employee questionnaire was developed by adapting the one used by Great Place to Work for its annual survey. The purpose of the questionnaire was to collect information on employees' perceptions of certain key work experiences, and on employee-related attitudes and behaviour in the workplace. The underlying hypothesis was that there exist a number of key perceived job characteristics and employee work experiences which can be influenced by the HR practices adopted by the organisation and which, in turn, can influence core aspects of employees' attitudes and behaviour at work.

As noted in Chapter 4, the present research was focused on five main employee Work Experiences. These were Perceived Management Support, Perceived Reward Equity, Job Complexity, Job Discretion and Job Security.

The items designed to capture the different Work Experiences have already been discussed in Chapter 4. In constructing the specific measures used in the analysis, all the Work Experiences items were factor analysed together (principal components with varimax rotation). The results of the overall factor analysis are shown in Table 6.1.

As can been seen, four main factors were obtained. Factor 1 included all the items designed to measure Perceived Management Support. The second factor included all the items designed to measure Perceived Reward Equity. The third factor covered the items referring to Job Complexity and the fourth included two items designed to measure Job Discretion and two intended to measure Employment Security. Although the Employment Security items clustered together with the Job Discretion items, the two constructs that these items are designed to measure are theoretically distinct. As a result we kept the Job Discretion and Employment Security items separate and constructed two distinct measures.

Based on the factor analysis results, five main Work Experience variables were then constructed by scaling together the items under the five main headings shown in Table 6.1. The resulting variables showed acceptable levels on internal reliability. Specifically, the alpha coefficient for the 14 item Perceived Management Support scale was .92 and the alpha coefficient for the six item scale of Perceived Reward Equity was .83. For the five-item Job Complexity scale the alpha was .77 and for the two-item Job Discretion and the two-item Employment Security scales the alpha coefficients were .60 and .55 respectively.

Table 6.1 - Results of the overall factor analysis of the Work experience items

	Factor 1	Factor 2	Factor 3	Factor 4
ITEMS				
Perceived Management Support				
1. I can ask management any reasonable question	.735			
2. Management is approachable, easy to talk with	.718			
3. Management involves people in decisions that ...	.716			
4. Management makes its expectation clear	.703			
5. Management genuily seeks and respond to	.690			
6. Management keeps me informed about important issues...	.679			
7. Management shows appreciation for good work	.654			
8. Management shows a sincere interest in me.....	.569			
9. Managers avoid plying favourites	.562			
10. Management trust people to do a good job	.556			
11. People here are encouraged to develop	.527			
12. I am treated as a full member here, regardless of my...	.519			
13. I am offered training and development to further ...	.470			
14. People here are given a lot of responsibility	.454			
Perceive Reward Equity				
1. I am paid fairly in view of my responsibilities		.761		
2. People here are paid fairly for the work they do.		.750		
3. Everyone has an opportunity to get special recognition.		.567		
4. Promotions go to those who best deserve them.		.551		
5. We have special and unique benefits here.		.549		
6. I have a very good chance to get ahead		.528		
Job Complexity				
1. The duties in my job are not repetitive			.748	
2. I have to solve problems that have no obvious answer			.746	
3. I am required to deal with problems that are difficult			.741	
4. This job will open up new opportunities for me			.629	
5. I have the opportunity to do a number of different things			.629	
Job Discretion				
1. I can carry out my work in the way I think best				.647
2. I can plan my own work				.492
Job Security				
1. I feel my job in this organisation is secure				.736
2. I believe management would lay people off only as				.590

Only factor loading > .030 are shown

6.5 Employee attitudes and behaviour

The specific outcome variables used in the study were constructed based on a set of separate factor analyses carried out on the relevant items designed to measure each of the dependent variables of interest. In each of the of the five factor analyses (principal components with varimax rotation), the items considered loaded as expected on a single common factor (see Table 6.2 to Table 6.6).

All factor analyses were followed by a reliability test. Amongst the attitudinal outcomes, both the five-item Job Satisfaction scale and the seven-item Organisational Commitment scale showed an alpha value of .87, while the six-items Trust in Management scale exhibited an even higher alpha coefficient ($\alpha = .88$).

For the two-item Intention to Stay scale the alpha was .66, while for the four-item IB/OCB scale and the five-item In-Role Performance scale the alphas were .69 and .67 respectively.

Table 6.2 Results of the factor analysis of the Job Satisfaction items

Job Satisfaction	Factor
1. Overall, I am satisfied with my job	.856
2. All in all, this job has lived up to my expectations	.849
3. Taking everything into account, I would say this	.829
4. This is a fun place to work	.785
5. I find enjoyment in my work	.745

Table 6.3 Results of the factor analysis of the OC items

Organisational Commitment	Factor
1. I feel myself to be part of this organisation	.838
2. I feel a strong sense of belonging to this organisation	.835
3. I'm proud to tell others I work here.	.833
4. When I look at what we accomplish, I feel a sense	.745
5. There is a "family" or "team" feeling here	.731
6. I feel good about the ways we contribute to	.674
7. People look forward to coming to work here.	.613

Table 6.4 Results of the factor analysis of the Trust in Management items

Trust in Management	Factor
1. Management's actions match its word	.825
2. Management is competent at running the business.	.824
3. Management delivers on its promises.	.813
4. Management is honest and ethical in its business	.816
5. Management does a good job of assigning	.806
6. Management has a clear view of where the ...	.715

Table 6.5 Results of the factor analysis of the In-Role Performance items

In-Role Performance	Factor
1. My senior manager values my contribution at work	.764
2. I feel I make a difference here	.738
3. My work performance is generally in line with	.709
4. I am doing very well in my job considering	.689

Table 6.6 Results of the factor analysis of the IB/OCB items

Innovative/OCB	Factor
1. I work very hard continuously to innovate	.768
2. I often come up with creative solution in my work	.758
3. I often work extra hours as and when necessary	.671
4. I often do more then is required of me in my job	.639
5. People here are willing to give extra to get the job	.479

6.6 Control variables

The model also included five variables, used as controls, which could have an influence on employee perceptions of their work experiences. These were sex, age, tenure, level of education and work position. Each was measured on an appropriate scale, with respondents asked to select one item from a given list.

Sex was naturally operationalised with a two-item "male" or "female" scale. The sample was male-dominated, with men accounting for 63.1% of the sample and

women 36.9%. This reflects the fact that several of the companies involved in the research operate in traditionally male-dominated sectors, such as manufacturing and industrial production.

Age was measured on a five-point scale, ranging from "25 years or younger" to "55 years or older". The distribution was in line with expectations of a predominantly youthful workforce: there were significantly fewer employees in the youngest and oldest bands and almost 70% were aged between 26 and 44.

Tenure, the time an employee had worked for his/her current organisation, was assessed on a six-point scale from "less than 2 years" to "over 20 years". The figures evinced low tenure levels, 44% of the sample having been in their company for less than 5 years.

Level of education was operationalised on a five-point scale. Over half the respondents (51.5%) had either undergraduate or graduate degrees.

Work position refers to the role of respondents within their organisation. A five-point scale was used comprising "clerical/administrative", "production/service", "professional", "managerial/supervisory" and "senior managerial/executive". The highest proportions of employees surveyed were in the production/service (27.9%) and professional (33.6%) categories.

This completes the details of the measures used in the present study. The correlations between all the main variables used in the analysis, both at individual and aggregate level, are reported in Appendix 6.1 and 6.2 respectively.

We next take a comparative look at the mean scores obtained by each organisation on the three main components of our model: HR practices, work experiences and employee related attitudes and behaviour.

6.7 Comparison of the mean scores of the twelve organisations

In order to gain a better understanding of the degree to which the range and number of an organisation's HR practices influenced employee attitudes and behaviour, the mean scores for HR practices, work experiences and outcomes were compared across the twelve organisations.

In fact, the HR practices employed differed significantly, not only between organisations but between the groups of employees to which they were applied. Table 6.7 shows the mean score across the different occupational groups for the standardised overall HRM11 index for each of the twelve organisations.

Table 6.7 – HR practices - mean scores for each company

HR practices - mean scores for each company												
	Technogym	Gore	Kimberly Clark	Balfour Beatty	STMicro	KPMG	Boehringe	Trivellato	GRTN	TickOne	Candy	Mantero
HRM11 – mean	1.48	0.77	0.72	0.52	0.49	0.35	0.33	0.15	-0.69	-1.29	-1.37	-1.56

The figures reflect the organisations' considerable diversity of approach in term of their use of the eleven HR practices. Technogym, Gore, Kimberly-Clark and Balfour Beatty, have high mean scores on the overall HRM index, indicating their more extensive use of HR practices. In contrast, STMicroelectronics, KPMG, Boehinger and Tivellato reveal a more modest take-up of the eleven HR practices; while GRTN, TicketOne, Candy and Trivellato are the organisations that make the most limited use of the practices.

The above differences in the use of the eleven HR practices are also reflected in the extent to which the organisations in the sample made high (above the average) use of the different practices. Thus, at one extreme, Technogym and Gore made above average use of ten and eight respectively of the eleven practices, while at the opposite extreme both Mantero and Candy did not make above the average use of any of the eleven practices examined.

Table 6.8 shows the mean scores by company for each of the five work experiences: Perceived Management Support, Perceived Rewards Equity, Job Complexity, Job Discretion and Job Security. As can be seen, the organisations fell into two groups: one where positive work experiences are comparatively high, the other where they are lower. Taking the global mean (17.08) as the benchmark, the mean scores of eight of the companies, Gore, KPMG, Balfour Beatty, Technogym, Kimberly-Clark, Boehringer, GRTN and TicketOne, are higher than this and they form the first group; the scores of the remaining four, STMicroelectronics, Trivellato, Mantero and Candy, fall below the global mean and these constitute the second group.

Table 6.8 – Work experiences - mean scores by company

Work Experiences – mean scores by company													
	Gore	KPMG	Balfour Beatty	Technogym	Kimberly Clark	Boehringer	GRTN	TickOne	STMicro	Trivellato	Mantero	Candy	Global
Perceived Management Support	3.92	3.56	3.54	3.53	3.47	3.36	3.18	3.27	3.32	3.35	2.84	2.51	3.29
Perceived Reward Equity	3.57	3.27	3.18	3.09	3.08	2.90	2.95	2.96	2.73	2.90	2.29	1.89	2.86
Job Complexity	3.98	3.82	3.55	3.51	3.57	3.56	3.43	3.78	3.29	3.56	3.30	2.82	3.47
Job Discretion	4.35	3.76	3.79	3.73	3.74	3.83	3.60	3.84	3.61	3.51	3.36	3.18	3.64
Job Security	3.90	3.90	4.02	4.00	3.71	3.86	4.24	3.48	4.05	3.61	3.10	3.50	3.82
Total	19.72	18.32	18.07	17.86	17.57	17.51	17.40	17.34	16.99	16.93	14.89	13.90	17.08

Table 6.9 shows the twelve organisations in terms of the mean scores of the six outcomes analysed: Job Satisfaction, Organisational Commitment, Trust in Management, In-Role Performance, Intention to Stay and IB/OCB.

Table 6.9 – Outcomes - mean scores by company

Outcomes – mean scores by company													
	Gore	Balfour Beatty	Kimberly Clark	KPMG	Boehringe	GRTN	Technogym	Trivellato	TickOne	STMicro	Mantero	Candy	Global
Satisfaction	4.27	3.70	3.71	3.77	3.77	3.64	3.66	3.52	3.72	3.49	3.22	2.85	3.57
OC	4.18	3.82	3.71	3.67	3.74	3.59	3.75	3.63	3.53	3.43	3.22	2.86	3.57
Trust	3.77	3.65	3.41	3.50	3.17	3.15	3.51	3.35	3.17	3.26	2.75	2.56	3.24
In-Role Perf	4.05	3.62	3.65	3.77	3.59	3.58	3.59	3.46	3.82	3.49	3.37	3.19	3.56
Stay	3.88	3.65	3.76	3.03	3.74	4.01	3.31	3.30	2.86	3.38	3.04	3.09	3.44
IB/OCB	4.18	4.00	3.78	4.15	3.84	3.78	3.87	3.86	3.99	3.51	3.71	3.25	3.79
Total	**24.33**	**22.44**	**22.02**	**21.89**	**21.85**	**21.75**	**21.69**	**21.12**	**21.09**	**20.56**	**19.31**	**17.8**	**21.17**

Taking the global mean (21.17) as the discriminator once more, the organisations can be split into those exhibiting higher and lower outcomes. The former group comprises seven of the twelve companies, Gore, Balfour Beatty, Kimberly-Clark, Boehringer, GRTN, Technogym and KPMG; the latter the remaining five, Trivellato, STMicroelectronics, TicketOne, Mantero and Candy.

These three sets of results lead to a number of considerations. Not all the organisations maintain similar rankings across the three analyses. Some which exhibit high scores on the HR practices are ranked lower on the work experiences and outcomes, and vice versa. Technogym, for instance, comes top on the HR practices rankings but sixth on the employee outcomes. Balfour Beatty, on the other hand, is in the "above average" group throughout, in fourth, third and second place respectively. The results for Boehringer and GRTN are of particular interest. The mean score for Boehringer on the HR practices is close to zero yet it ranks fourth on the outcomes. GRTN even scores below zero on the HR practices yet still ranks fifth in terms of outcomes.

These discrepancies suggest that the adoption of a wide range of HR practices and policies, while important, does not always, on its own, make employees feel and behave more positively towards their organisation. Similarly, the more limited use of HR practices is not necessarily associated with more negative employee attitudes and

behaviours. This highlights the importance of looking more closely at the mechanisms through which HR practices may affect employee related outcomes in order to gain a better understanding of their influence and effectiveness. This is the task of the following two chapters.

We now move on to another fundamental aspect of the present study, the companies which took part in the research.

6.8 Overview of the companies surveyed

As previously discussed, access to the companies was facilitated by the tie-in with the Italian branch of Great Place to Work and access to its annual survey which identifies those companies that are seen by their workforce as having a particularly positive organisational climate. Twelve of the organisations taking part in Great Place to Work's 2002 Italian survey agreed to participate in the present study also. An overview of each, with particular reference to their HR systems and policies, follows. As explained in Chapter 5, information came primarily from the HR managers' questionnaire. Supplementary information and checks and controls came via follow-up interviews with the HR managers and examination of the company web sites. Unless stated otherwise, all HRM information relates to the year 2002, as do the figures, which are rounded.

Balfour Beatty

Balfour Beatty Italy has around 250 employees and serves the international market for road, rail and power systems, buildings and other complex structures. In each of its four business sectors the company works throughout the supply chain, from initial concept to whole-life management. It is also specialised in complexity management and all project and risk management skills associated with it. As a manufacturing enterprise, the largest proportion of its employees are blue collar workers with 38.6% in production. A further 23.1% are professional, 11.5% clerical/administrative, 20% managerial/supervisory and 6.6% senior managerial/executive. The organisation has an HR department and benefits received by employees include extra-work insurance, free or reduced-price dental care, and a weekly counselling service by a social

worker. As part of its explicit policy of treating and caring for employees as individuals, the company places considerably emphasis on taking into account family or other problems that may be affecting employees, on trying to help in difficult situations and endeavouring to understand the reasons behind any unusual behaviour patterns. The organisation provides individual employee development/competence plans, although these are not available for all occupational groups. All employees do, however, receive training opportunities: formal, on-the-job training is provided on-site by the company and professional development courses are offered off-site. The organisation emphasises that it s especially keen to provide opportunities for older people, women and more poorly qualified individuals. New employees or those moving to a new position have the support of a tutor who is responsible for evaluating their progress and suggesting an appropriate training/development plan.

Boehringer Ingelheim

The Boehringer Ingelheim group is one of the world's top 20 pharmaceutical companies and handles both human pharmaceutical and animal health products. Production, distribution and research and development are sectors of major importance for the group, which is particularly involved in research into critical pathology and diseases such as Aids and cardiovascular dysfunction. Boehringer Ingelheim Italy has around 1,000 employees, 35% in its business divisions, 25% in production and 7% in R&D. The remaining 33% work in areas such as human resources, information technology and finance and control. The company asserts that it places great emphasis on its human capital, and declares that people are its most valuable resource. Consistent with this affirmation come a range of benefits offered to employees and their families, including a nursery, insurance plans and health coverage. Financial incentives include individual incentive schemes, team bonuses and company bonuses. The organisation also declares that it provides all employees with feedback on their performance, with an eye on helping them develop their skills and identifying possible role switches. This process is, however, purely informal for lower-level employees. Boehringer Ingelheim additionally is concerned to assist employees with their work-life balance and quality of life, and offers a variety of working arrangements, such as part-time, flexitime and telecommuting. Training is

provided to all employees: they may choose from courses which are published in a training catalogue posted on the company intranet.

Candy

The Candy Group is a European company funded solely by private capital. Production exceeds 5.5 million units from 12 plants across six countries: Portugal, the Czech Republic, Spain, France, Italy and the United Kingdom. As highlighted in the company's website, the Candy name was synonymous with washing (laundry and dishwashing) from 1945 until 1970 when the range broadened to include refrigerators and cookers. In 1980 Candy became an international concern, acquiring Kelvinator UK and its factory; expansion continued in the mid-1980s with the acquisition of Italian companies Zerowatt and Gasfire, followed by leading French cooking equipment brand Rosières (1987), Otsein (Spain) and Iberna (Italy). A further major change in size, market position and coverage followed in 1995 when Candy acquired Hoover, the European leader for floor care and UK leader for washing equipment. In 2002 the company employed 5,700 employees worldwide, 2,200 of them in Italy, 52.7% of them production workers, 23% clerical and administrative employees, 17.3% professionals, 5.1% managers and supervisors and 1.9% senior managers/executives. Despite its size, the organisation does not have a well-developed, structured HR system and what there is remains somewhat narrow in scope. Almost all staff receive training relevant to their role, although only professionals and key employees follow a specific induction program when joining the company. Development plans are provided ad hoc and for key employees only.

Gore

The company was founded in 1958, when Bill and Vieve Gore set out to explore the opportunities for fluorocarbon polymers. Within twelve years, Gore had operations worldwide and its wire and cables were on the moon. Today, the company employs 6,000 personnel in 45 locations around the world. Its fluoropolymer products provide innovative solutions throughout industry, in next-generation electronics, for medical implants and with high-performance fabrics. Gore's Italian operation consists of a sales office which in 2002 employed approximately 80 people, split 75.9%

clerical/administrative, 10.1% professional, 11.3% managerial/supervisory and 2.5% senior managerial/executive. There were no production staff. The US company has repeatedly been named one of the "100 Best Companies to Work for in America"; in 2002 the Italian office reaped the same award in Italy. The ethos at Gore is direct communication and team orientation, and all personnel bear the title of associate. The corporate culture encourages associates to use their judgment, select the right projects and access the resources they need for their success directly. A range of benefits are offered, some accessible through a cafeteria plan allowing each associate to build his/her own benefit package. All members of staff follow a training program tailored to their position and receive a 360° performance review each year. The company has a rigorous recruitment and selection process, and there is an induction programme for all new personnel.

GRTN

GRTN (*Gestore della Rete di Trasmissione Nazionale*, the Italian National Electric Grid Management organisation) was established in April 2000 as part of the reorganisation of the Italian power distribution system. This reorganisation derived from a Legislative Decree designed to liberalise and bring competition to the electricity sector, one which is of strategic importance to Italy's economic development. GRTN operates under exclusive concessionary rights. Its activities involve the co-ordinated management of power plants, national connected transmission grids and ancillary services. Shares of GRTN are held by the Italian Ministry of Economy and Finance and the Ministry of Production Activities, which also issues GRTN with its strategic and operational guidelines. In 2002 the company employed nearly 700 personnel, almost all full-time, 17.2% of them clerical/administrative, 12% in production/services, 34.4% professional, 24% managerial/supervisory and 11.3% senior managerial/executive. The undertaking had only been in existence for a short time in 2002 and although it already had a fully-established HR department grouped into areas of responsibility - personnel administration, human resource development and industrial relations - it had not yet developed a comprehensive HR system. Neither employee training nor employee development was offered, and benefit and compensation programmes were still slim.

The company had, though, already designed a systematic recruitment and selection process, which included an orientation program for all new employees. It is important to underline that GRTN is strongly unionised and no changes to HR policies can occur without the involvement of trades union representatives.

Kimberly-Clark

Kimberly-Clark is a global company, employing nearly 65,000 people and organised into three business segments – Consumer Tissues, Personal Care and Business-to-Business. Its ethos, it declares, is sharing a passion for finding new ways to improve people's lives. Kimberly-Clark products are sold in more than 150 countries and 42 countries have manufacturing facilities. In 2002 the Italian operation employed 1,000 individuals, split 23% clerical/administrative, 58.1% production/service, 10.6% professional, 4.7% managerial/supervisory and 3.6% senior managerial/executive. For two consecutive years the company was one of the "100 Best Companies to Work for in America" and it gained similar acknowledgment in Italy in 2002. The company provides employees with considerable training and development opportunities to improve their competence and boost their skills. Each new member of staff is assigned a mentor from his/her department who is there to give support, advice and encouragement. Team leaders provide ongoing assessments of work performance and annual global assessments are also given. The company encourages job mobility and individuals are given the opportunity of changing departments, and sometimes location, on average three times during their time with the organisation. Kimberly-Clark also promotes flexible working patterns through schemes such as part-time working, job-sharing, compressed working hours and unpaid career breaks.

KPMG

KPMG is formed of a global network of professional services firms with the declared aim of turning their understanding of information, industries and business trends into value for their clients. Embracing more than 100,000 personnel worldwide, KPMG member firms provide consultancy and advisory services on insurance, tax, legal and financial matters, and operate from 760 cities across 155 countries. KPMG Consulting is also a leading provider of global internet integration services,

supporting both early adopters and traditional market leaders as they transform their bricks-and-mortar enterprises to e-businesses. In Italy KPMG comprises a number of separate companies specialised in Auditing, Insurance, Management Consultancy, Accounting Services or Tax & Legal Consultancy, and giving employment to 552 personnel, 18.7% of them clerical/administrative, 2.1% in production/services, 50.1.6% professional/technical, 15.8% managerial/supervisory and 13.3% senior managerial/executive. KPMG makes considerable investment in employee selection, recruiting primarily from the top Italian Universities. Selection procedures involve a multi-stage approach, candidates gaining the opportunity to meet KPMG professionals and managers and talk with them about their particular work experiences. All new employees follow an orientation and induction program which includes on-the-job training and feedback from the recruitment manager. KPMG also provides lifelong learning opportunities in the areas of functional skills, consulting skills, communications and leadership. Professional development is underpinned by a performance management system that allows employees, from their very first year, to identify and share their objectives with their line manager. All employees also take part in a three-stage evaluation programme: they receive ongoing feedback from their project manager, a mid-year review, and a year-end review at which their compensation and objectives for the next year are set.

Mantero

Mantero works in partnership with top designers and international luxury and fashion chains, and is one of the leading companies in the world for the creation, production and distribution of fabrics and accessories. As emphasised in the company's publicity material, its 100 years of experience allow Mantero to express values that reflect its history and will mark out its future, based on tradition, creativity and advanced technology. It is constantly recruiting new, young individuals from the best international schools and in 2002 the company had a staffing level of 975 personnel, split 17,6% clerical/administrative, 45.3% production/service, 26.1% professional, 9.2% managerial/supervisory and 1.7% senior managerial/executive. Training is offered at all levels, according to business needs, and although there is no specific orientation program for new employees they receive direct supervision in their own

departments. Neither are there formal development/competence plans in place for all staff levels, they simply engage in informal forecasting procedures for key personnel, namely professionals, supervisors and managers. The organisation promotes flexible working patterns and provides schemes such as part-time working, job-sharing, compressed working hours and unpaid career breaks.

STMicroelectronics

STMicroelectronics is an independent global semiconductor company and is a leader in developing and delivering semiconductor solutions across the spectrum of microelectronics applications. The group was formed in June 1987 from the merger of the Italian SGS Microelettronica and the French Thomson Semiconducteurs. At that time it was called SGS-Thomson Microelectronics, taking on its current name in May 1998. In 2002 the company employed 5,500 personnel, 5.9% of them clerical/administrative, 32.4% in production/services, 47.6% professional/technical, 2.9% managerial/supervisory and 11.2% senior managerial/executive. All employees receive training and education throughout their entire careers with the company. Career mobility is actively encouraged, whether it is within the same department, to another department on the same site, to another site or even abroad. Recognition comes through special recognition programmes, salary reviews and one-off performance rewards. Employee satisfaction is one of the company's main stated objectives and every 18 months an organisation-wide staff opinion survey is carried out.

Technogym

Technogym is an Italian company founded in 1983 which has grown to become world leader in the production of fitness and rehabilitation equipment, with subsidiaries in the USA, the UK, Germany, France, Spain and Switzerland. It has equipped more than 27,000 fitness centres and 30,000 private homes in over 80 countries. Personnel in 2002 numbered 650, 12.8% of them clerical/administrative, 59.8% production/service staff, 18.6% professional, 5.6% managerial/ supervisory and 3.1% senior managerial/executive. Great emphasis on HRM is apparent, the company being one of the 30 to gain an Italian "Great Place to Work" listing in 2002. Technogym has

a strong belief in developing and promoting from within, and makes considerable investment in employees' professional growth, providing each with an individual competence/development plan. It also states that all employees receive feedback on their performance, although this is of an informal nature for those with lower-level positions. A pay-for-performance system is in place. Training is considered to be of great importance and is provided for all employees, on both technical and behavioural matters. All new personnel undergo a specific induction program, which provides on- and off-the-job training. The company, which has the strapline "The Wellness Company", takes its employees' wellness seriously too and provides a notable range of related benefits, including free check-ups, dietary advice, the provision of sporting activities, and health insurance.

TicketOne

TicketOne was established in 1998 and is now the leading concern in Italy providing tickets, information and e-commerce for sport, entertainment and cultural events. It is the Italian partner of Tickets.com, the most important company worldwide in this sector which boasts more then 5,000 customers. TicketOne has 600 sales points distributed throughout Italy and an online sales system. In 2002 it employed 36 full-time and 26 temporary staff, split 8.3% clerical/administrative, 52.7% production/service, 5.5% professional, 19.4% managerial/supervisory and 13.8% senior managerial/executive. Due to its small size at that time it had not set in place a comprehensive HR system. There was no employee training and development programme either and benefits and compensation policies were slim. Performance assessment and feedback was on an informal basis although the company was planning to introduce a systematic, standardised system. The company considers that the small number of new employees renders the development of an orientation program unnecessary but nevertheless pays great attention to the socialisation of newcomers.

Trivellato

Trivellato was founded in 1922 and is the dealership of a prestigious German automobile manufacturer. It operates from five sites in northern Italy, selling a wide range of commercial and industrial vehicles. Its particular strength is reliable,

effective customer care. The organisation employed 166 personnel in 2002, broken down into 46.7% clerical/administrative, 39.7% production staff, 11.5% professional/technical, 1.5% managerial/supervisory and 0.6% senior managerial/executive. Trivellato places considerable importance on workforce development and provides each employee with an individual competence/development plan while encouraging professional growth through both in-house training and external activities. The organisation's compensation policy is based on pay-for-performance and provides both monetary and non-monetary benefits. There is, though, no formal system of performance evaluation and feedback. Employee satisfaction is one of the company's main concerns and in 2002 it was listed as one of the "30 Best Companies to Work for in Italy".

As can be seen, these twelve organisations spanned large and small, recent and well-established, local and global, and product- and service-orientated concerns. Such diversity was of great value to the study. Of even greater value were the considerable differences in the companies' HR policies and practices: some had a comprehensive HR system, some were at the early stages of developing one, others had chosen to invest in only a small number of practices. There were also differences in the recipients of each practice, some being applied only to key employees, others to the entire workforce.

Table 6.10 (below) gives the salient details of the twelve organisations in summary form.

Table 6.10 – Summary of the twelve organisations

	Balfour Beatty	Boehringer	Candy	Gore	GRTN	Kimberly	KPMG	Mantero	STMicroel	Technogym	TicketOne	Trivellato
Ownership	Privately held	Privately held	Privately held	Publicly quoted	Govern. Agency	Publicly quoted	Publicly quoted	Privately held	Publicly quoted	Privately held	Privately held	Privately held
Industry	Mechanic	Pharmacy.	Industrial	Textile; chemical	Utilities	Health products	Consultan.	Textile	Electronics	Fitness equipment	Entertain.	Car dealer
Nationality	Non-Italian	Non-Italian	Italian	Non-Italian	Italian	Non-Italian	Non-Italian	Italian	Non-Italian	Italian	Italian	Italian
Employee	250	1,000	2,200	85	700	1,000	550	975	5,500	650	36	166
Employee Turnover		3.4%	2.0%	3.7%	1.0%	0.8%	3.0%	8.7%	6.6%	11.2%	2.5%	9.3%
Redundancy Programme	No	Yes	Yes	No	No	No	No	Yes	No	No	No	No
Unionisation	30%	38%	47%	0%	50%	50%	0%	0%	21%	6%	0%	0%
Syt. Selection Procedure	A	A	A	A	A	A	A	A	A	A	A	A
Socialisation	A	A	K	A	K	A	K	N	A	A	N	N
Training	A	A	A	A	N	A	A	K	A	A	N	A
Devel. plans	K	K	K	K	N	K	K	K	A	A	N	A
Int. Promotion	A	A	A	A	A	A	A	A	A	A	A	A
Rewards	A	A	A	A	A	A	A	A	A	A	A	A
Benefits	A	A	K	A	K	A	K	N	K	A	K	A
Performance Appraisal	K	K	N	K	N	K	A	N	A	K	N	N
Job control	N	A	N	A	N	N	A	N	A	A	N	N
Information Sharing	N	A	N	A	N	A	A	N	A	A	N	N
Employment Security	A	A	A	A	A	A	A	A	A	A	A	A

***A**: practice addressed to all employees; **K**: practice addressed only to key employee; **N**: practice not applied*

6.9 Chapter summary

This chapter explained in detail the measures used for each of the three main components of the study. This is a necessary precursor to the main analyses of the data and the testing of the research model which will be presented in the following chapters.

A breakdown of the comparative mean scores of the twelve organisations for each of the three components of the research was then provided, highlighting both the similarities and differences in organisational ranking in terms of the use of HR practices and overall employee work experiences and outcomes.

The chapter concluded with a summary of the twelve organisations taking part in the survey, with particular regard to the HR practices and policies adopted by each.

The next chapter presents the individual level research results.

CHAPTER 7

INDIVIDUAL LEVEL FINDINGS

7.1 Introduction

This chapter presents the results of the study at individual level; the aggregate level results are discussed in the next chapter. The individual level results derive from the analysis of the data on the 1,747 employees surveyed and are presented in five sections. The first section comprises a summary of the model described more fully in Chapter 4. The second section details the procedures adopted in the analysis. The third section outlines the specific measures and variables used in the analysis. The fourth section covers the presentation of results. This starts with the more general findings and gives a comprehensive overview of the major links found between the variables examined. It then moves on to look individually at each of the six outcomes considered. The final section is given over to a summary of the findings.

7.2 The research model adopted

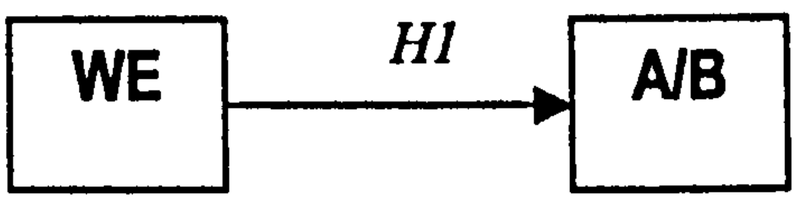
As discussed in Chapter 4, the aim of the research is to assess the impact of HR practices on a number of employee-related outcomes as mediated by employee work experiences. Hence, we developed and tested an analytical model (Peccei, 2004) underpinned by three main assumptions:

- HR practices have an impact on employee attitudes and behaviour;
- the core mechanisms through which these effects occur are employee work experiences, it is these that mediate the impact of HR practices on employee attitudes and behaviour;
- there may also be supplementary mechanisms involved. Should this be the case, we would expect to see a direct impact on attitudes and behaviour from the HR practices as well as that operating through work experiences.

The model of the relationship between HR practices and attitudes/behaviour therefore involves the following three main hypotheses, as already presented in Chapter 4:

Hypothesis 1

Work experiences (WE) have an impact on attitudes and behaviour (A/B): there is a direct relationship between key employee work experiences and their attitudes and behaviours.

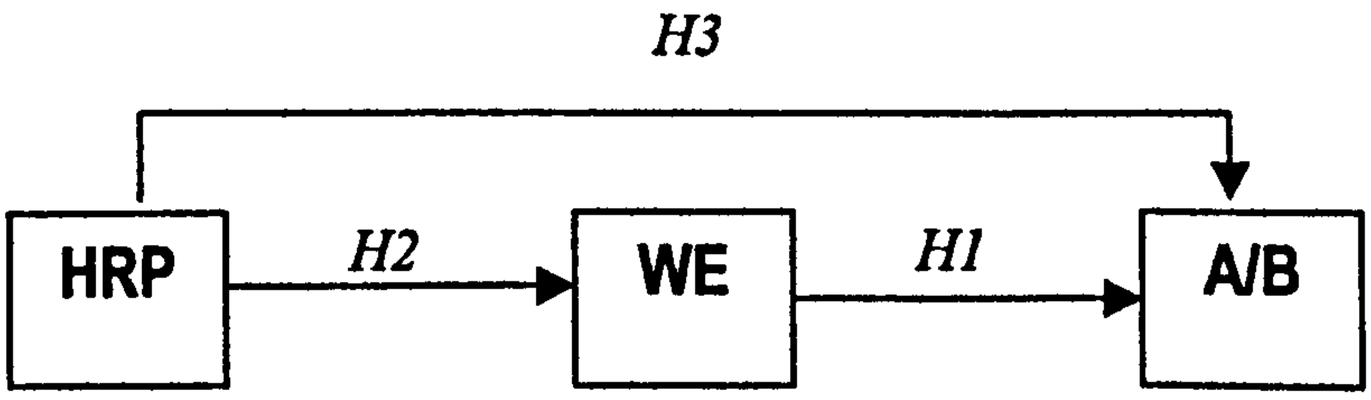


Hypothesis 2

HR practices (HR) have an impact on work experiences: employee work experiences are significantly influenced by the HR practices in place in their organisation.

Hypothesis 3

An organisation's HR practices may have a significant effect on employee attitudes and behaviour through avenues not directly related to work experiences (increased knowledge and skills, for instance).



The first component of the model comprises the eleven practices described fully in Chapter 4, those commonly associated with high-performance or high-commitment HR systems, namely *Systematic Selection Procedures, Socialisation, Training, Development Plans, Internal Promotion, Employee Rewards, Benefits, Performance Appraisal, Job Control, Information Sharing* and *Employment Security.*

The second component of the model consists of the five work experiences that, as discussed in Chapter 4, we hypothesise are influenced by HR practices and, in turn, influence employees' attitudes and behaviour towards their organisation. These five work experiences are Perceived Management Support, Perceived Rewards Equity, Job Complexity, Job Discretion and Job Security.

The third part of the model is composed of the six employee attitudes and behaviours that are hypothesised to be affected by their work experiences and which constitute the main outcome variables of this study. As noted in Chapter 4, these comprise - starting with the outcomes which are more important to employees and moving on to those which are more relevant to an organisation - Job Satisfaction, Organisational Commitment, Trust in Management, Intention to Stay, In-Role Performance and Innovative Behaviour (IB)/Organisational Citizenship Behaviour (OCB).

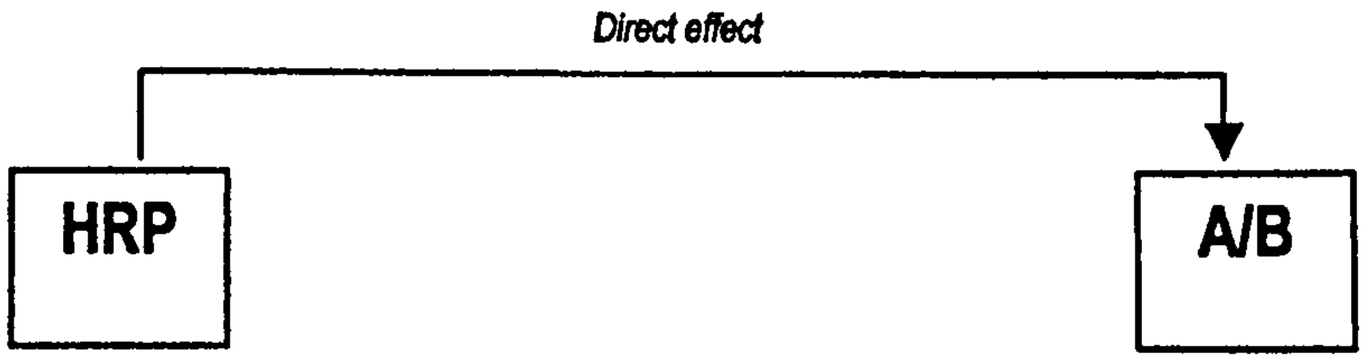
Before going on to discuss the details of the analysis procedures adopted it is important to note that some researchers may consider it more appropriate that analysis take place solely at aggregate level (Ostroff and Bowen, 2000). While acknowledging this possibility, there are two main reasons for presenting an individual level analysis. First, this is the level of analysis most commonly adopted by most other micro/functional HRM studies to date (Appelbaum et al. 2000; Guest, 2002, Tsui et al. 1997) and therefore it better enables our results to be compared with those from prior research. Second, producing both individual and aggregate level results provides an opportunity to compare the two, enabling us to evaluate

whether and to what extent there are differences between them. The results of the aggregate level analyses are presented in the following chapter.

7.3 Analysis procedures

In order to evaluate the mediating effect of work experiences in the relationship between HR practices and employee related outcomes the three-stage analysis procedure recommended by Baron and Kenny (1986) was adopted. First, we regressed the six employee attitudinal/behavioural variables on the eleven HR practices to asses whether the HR practices variables had a *direct* effect on the employee outcomes, before controlling for employees' work experiences (see Figure 7.1).

Figure 7.1 - Step 1 of the analysis procedure



Next, we regressed the five work experiences under examination on the eleven HR practices. The coefficients attaining significance here formed the first component contributing to the *indirect* effect *(Indirect effect 1)* of the HR practices on the employee outcomes (see Figure 7.2).

Figure 7.2 - Step 2 of the analysis procedure

The third step was then to regress the six employee attitudinal/behavioural variables on the HR practices and the work experience variables together. The work experience coefficients attaining significance in this analysis form the second component contributing to the *indirect* effect *(Indirect effect 2)* of the HR practices on the employee outcomes (see Figure 7.3).

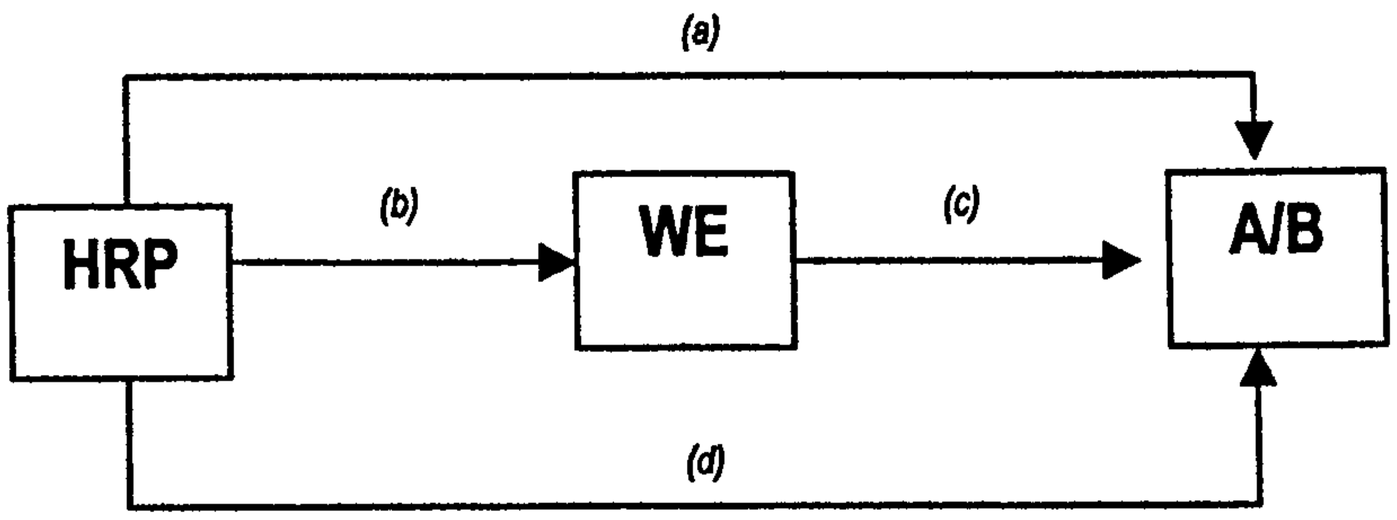
Figure 7.3 - Step 3 of the analysis procedure

A series of structural/demographic factors were used throughout as controls. These were size of organisation and the sex, age, job tenure, education level and occupational group of the respondents. In all cases the control variables were entered into the equations first, followed, where relevant, by the work experiences variables and then the HR practice variables.

Figure 7.4 summarises this multi-step analysis. Path *(a)* represents the direct effect of the HR practices on the employee attitudes and behaviour without controlling for the work experiences variables *(step 1)*. Path *(b)* represents the effects of the HR practices on the work experiences *(step 2)*. Path *(c)* represents the effects of the

work experiences on the employee attitudes and behaviour controlling for the HR practices *(step 3)*; and path *(d)* represents the direct impact of the HR practices on the employee attitudes and behaviour, when controlling for the work experiences *(also step 3)*.

Figure 7.4 - Summary of the multi-step analysis



The mediating role of the work experiences can be full or partial. According to Baron and Kenny (1986), for complete mediation to occur several conditions must be in place. Firstly, link *(a)* in Figure 7.4 must be significant in step 1, meaning that the HR practices must significantly affect employee attitudes and behaviour. Secondly, the two components of the indirect effect of the HR practices on the outcomes, namely link *(b)* and *(c)* in Figure 7.4 above, must be significant in steps 2 and 3 of the analysis, meaning that the HR practices must significantly influence work experiences and that these, in turn, must significantly affect employee attitudes and behaviour. Finally, link *(d)* in Figure 7.4 must not be significant in step 3, meaning that the impact of the HR practices on the employee attitudes and behaviour must lose significance when controlling for the work experiences.

Partial mediation occurs when the same conditions are satisfied, except that link *(d)* in step 3 retains significance but at a reduced level (Peccei and Rosenthal, 2001).

Finally, to the extent that the work experiences either partially or fully mediate the relationship between HR practices and the outcomes, the indirect (mediated) effect of the HR practices on the employee attitudes and behaviour is calculated by multiplying the effect of the HR practices on the work experiences by the effect of the work experiences on the attitudes and behaviour (i.e. link *(b)* x link *(c)* in Figure 7.4 above). The total effect of the HR practices on the outcomes is calculated by adding the indirect effect of the HR practices to the direct effect, if any, of the HR practices on the outcomes (i.e. link *(b)* x link *(c)* + link *(d)* in Figure 7.4 above).

7.4 Measures used in the individual level analysis

The analysis embraced each of the HR practices, work experiences and employee attitudes and behaviour variables outlined in previous chapters. In addition, however, in order to test the mediating role played by employee work experiences, two further global variables were constructed. The first combining the five work experiences and the second doing same for the eleven HR practices.

The overall Work Experiences (WE) factor was constructed by combining the five individual work experience variables into a single scale. The new global WE scale was tested by running a factor analysis (principal components with varimax rotation) of the five work experience variables comprising the scale. All five variables loaded on a single common factor accounting for 57.8% of the variance in the analysis. When scaled together the variable exhibited a good level of internal reliability with an alpha coefficient of .81, therefore providing support for the creation of the new global WE measure.

As explained in Chapter 6, the second overall HR variable was obtained by first standardising the scores on each of the eleven HR practices variables and then taking the mean of the standardised scores across the eleven HR practices. For easy reference this global HR index was labelled HRM11. The HRM11 index also exhibited an acceptable level of internal reliability with an alpha coefficient of .80.

As stated earlier, results are presented separately for each of the six outcomes under examination. We start with the attitudinal outcomes, those which are closer to employees and more relevant to them, namely Job Satisfaction, Organisational Commitment and Trust in Management. We then move on to the behavioural outcomes, Intention to Stay, In-Role Performance and IB/OCB, which are more significant to the organisation.

7.5 Overall results

It was important to establish at the outset whether or not Work Experiences (WE) as a whole have a mediating role, as the presence or absence of this association would determine the need to proceed to more detailed analysis. Therefore, a general, broad-based set of regression analyses were first perform to assess the extent to which the overall WE factor mediated the relationship between the global HRM11 index and the employee related outcomes. Separate regressions were run for each of the outcome variables using in each analysis the full set of control variables discussed in Chapter 6. The results of these analyses are shown in the tables that follow.

Table 7.1 shows the impact of the control variables on each of the six outcomes.

Table 7.1 – Impact of control variables on employee attitudes and behaviour

		Job Satis	OC	Trust	Stay	In-Role	IB/OCB
	Clerical/administrative						
	Production/service	-.070*	-.129***	-.105**	-.042	-.123***	-.158***
	Professional	.087*	-.020	-.090*	.029	.037	.021
	Manager/supervisor	.106**	.065	-.049	.050	.091*	.101**
	Senior manager/executive	.194***	.119***	.085*	.092**	.140***	.113***
	Size	-.280***	-.204***	-.182**	-.064	-.169*	-.323***
	Sex (female)	-.017	-.042	-.032	-.024	-.052	-.069*
	Age	.127***	.133***	.110***	.258***	.071*	.081*
	Tenure	-.106**	-.054	-.166***	.056	-.032	-.034
	Education	-.009	.005	.016	-.143***	.041	.146***
	R Square Change	***.101*****	***.116*****	***.105*****	***.142*****	***.080*****	***.191*****
	(N)	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

According to many studies (Meyer and Allen, 1997; Brief, 1998) employee attitudes and behaviour are influenced to a large extent by organisational conditions and demographics. Our results were consistent with this idea. Organisation size was significantly negatively related to five of the six outcomes. An explanation for this is that tasks are often more fragmented in large companies, leading employees to be less likely to find enjoyment in their jobs or to develop a positive attachment to their organisation, while small companies are more likely to create a friendlier, more informal environment, one more conducive towards a sense of well-being.

Occupational group was analysed as a series of dummy variables, with clerical/administrative staff being used as the reference point. The results showed a trend towards generally more positive attitudes and behaviour from employees with higher positions in their company.

Age was significantly positively related with all the outcomes. This is in line with much research in this field which generally shows that older employees exhibit more positive attitudes and behaviour at work (Meyer and Allen, 1997). Tenure, on the other hand, displayed a negative relationship with all the dependent variables except for Intention to Stay, albeit significant only for Job Satisfaction and Trust in Management. This too is consistent with previous work and is believed to relate to a sense of "entrapment" among employees, the feeling that they cannot leave their organisation because they do not have other opportunities in the job market (Meyer and Allen, 1997; Price 2000).

The impact of education is generally less pronounced, but also less consistent. Thus, education was significantly positively related to IB/OCB suggesting that more highly educated employees tended to be significantly more likely to engage in more innovative discretionary forms of behaviour at work than less educated employees. At the same time, though, education was also significantly negatively related to intention to stay, suggesting that more educated employees were also more likely to want to leave the organisation.

Finally, as can be seen from the table, gender had little or no impact on the outcome variables. The only exception in this respect was in terms of innovative behaviour where women tended to have significantly lower scores than men.

Table 7.2 shows the direct effect of the global HRM11 index on the six attitudinal and behavioural variables, controlling for the structural and demographic variables.

Table 7.2 - Direct effect of HRM11 on employee attitudes and behaviour

		Job Satis	OC	Trust	Stay	In-Role	IB/OCB
	Control variables R Square Change	***.101****	***.116****	***.105****	***.142****	***.080****	***.191****
	HRM11	.173***	.209***	.265***	.133***	.098***	.052*
	R Square Change	***.023****	***.034****	***.054****	***.014****	***.007****	***.002****
	Total R Square	***.124****	***.150****	***.158****	***.155****	***.088****	***.193****
	Adjusted R Square	***.119****	***.145****	***.154****	***.151****	***.082****	***.188****
	(N)	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

As can be seen, there are significant positive associations with all outcomes showing that the set of HR practices, taken as a whole, has a positive effect on each of the outcomes under consideration. This suggests that companies whose HR strategy involves the adoption of a large number of practices are more likely to see favourable attitudes and behaviours among their personnel than those which implement only a few HR practices. Furthermore, judging from the R square change statistics, the effects involved, although not very strong, are by no means inconsiderable. Thus, the addition of the HRM11 index to the regression equations helps to account for an additional between one and five percent of the variance in the various outcomes examined,

Table 7.3 shows the effect of HRM11 on the overall Work Experiences variable (WE), controlling for the structural and demographic variables. This constitutes the

first component of the indirect relationship between the HR practices and the employee outcomes described above.

Table 7.3 Direct effect of HRM11 on overall employee Work Experiences (WE)

		WE
	Control variables R Square Change	***.190****
	HRM11	.256***
	R Square Change	***.050****
	Total R Square	***.240****
	Adjusted R Square	***.246****
	(N)	***(1737***

*** .001, ** .01, * .05 Coefficients in the table are standardised beta coefficients

There is a significant positive association (.256***) between HRM11 and the overall work experience variable. The control variables account for 19% of the variance in the dependent WE variable (Change in R Square = .190***) and the introduction of HRM11 in the regression produces a significant increase, 5%, in the proportion of the variance explained in the global Work Experience variable (Change in R Square = .050***).

Table 7.4 shows the impact of HRM11 on the outcomes when controlling for the overall WE variable as well as for the structural and demographic variables. This constitutes the second component of the indirect relationship (third step of the analysis discussed above). There are significant positive associations between WE and all the outcomes considered. In addition, the introduction of the WE variable modifies the relationship between HRM11 and three of the six outcomes to the extent that the relationships involved are no longer significant. The relationships involved are those between HRM11 and Job Satisfaction, Organisational Commitment and Intention to Stay respectively

Table 7.4 - Effect of HRM11 on employee attitudes and behaviour when controlling for WE

		Job Satis	OC	Trust	Stay	In-Role	IB/OCB
	Control variables R Square Change	***.101****	***.116****	***.105****	***.142****	***.080****	***.191****
	WE	.799***	.765***	.754***	.553***	.744***	.407***
	R Square Change	***.507****	***.479****	***.483****	***.246****	***.421****	***.126****
	HRM11	-.031	.013	.072***	-.009	-.092***	-.052*
	R Square Change	***.001***	***.000***	***.004****	***.000***	***.006****	***.002****
	Total R Square	***.609****	***.595****	***.591****	***.388****	***.508****	***.319****
	Adjusted R Square	***.607****	***.592****	***.588****	***.384****	***.505****	***.315****
	(N)	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

The R Square statistics are also of interest here. As can be seen, the demographic variables account for between 8% and 19% of the variance in the dependent outcome variables. The introduction of WE in the regression equations adds a further 12% to 50% to the explained variation, but the added contribution of the HRM11 variable is only very small, accounting for less than one percent of additional explained variance in any of the dependent outcome variables.

Figures 7.5-7.8 below show a schematic representation of the two types of mediation appearing in Tables 7.2-7.4. Figures 7.5. and 7.6 illustrate full mediation, the example taken being Job Satisfaction, while figures 7.7 and 7.8 illustrate partial mediation in terms of Trust in Management.

Figure 7.5 Example of full mediation – first step of the analysis

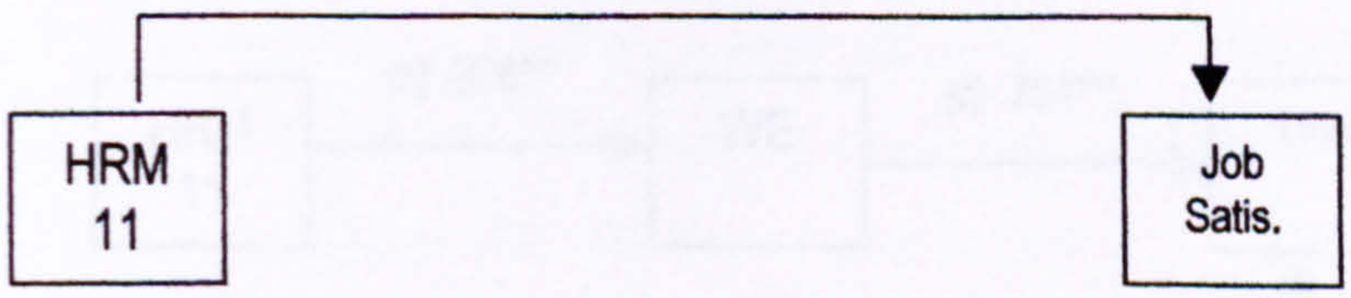


Figure 7.6 Example of full mediation – second and third steps of the analysis

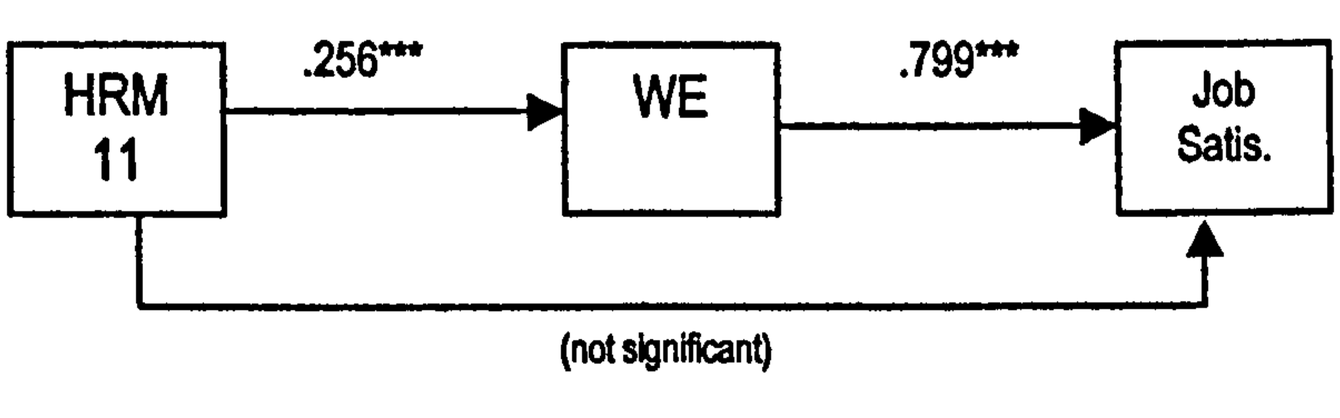


Figure 7.5 represents the first step of the analysis procedure and shows the significant positive direct link between HRM11 and Job Satisfaction (.173***). Figure 7.6 represents the full mediation of the HRM11 – Job Satisfaction relationship by the overall WE variable. The direct link between HRM11 and Job Satisfaction loses significance when controlling for WE, but the two links *(b)* and *(c)*, which capture mediation effects, are both significant. The indirect link is quantified by multiplying the *(b)* link coefficient (.256) by the *(c)* link coefficient (.799), giving .204.

Figure 7.7 Example of partial mediation – first step of the analysis

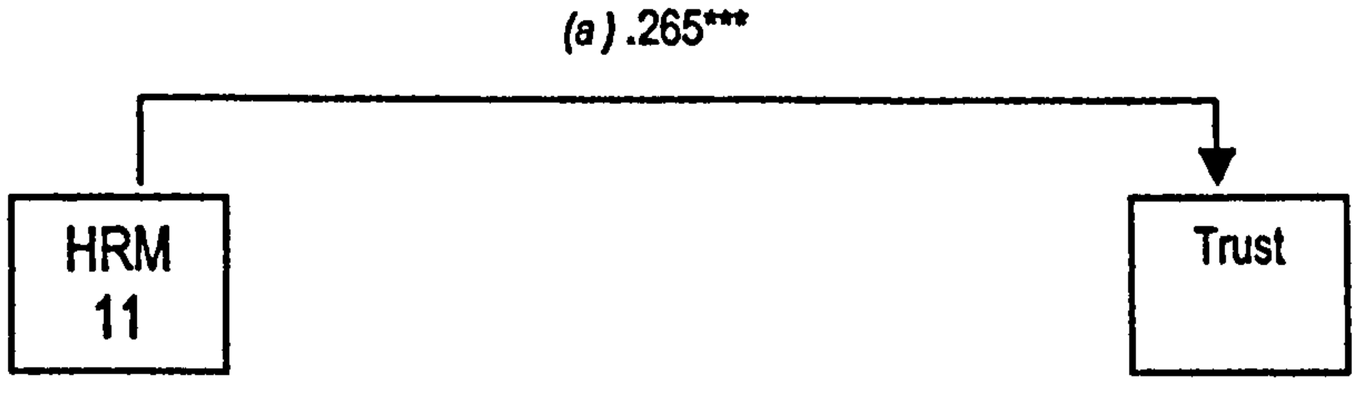


Figure 7.8 Example of partial mediation – second and third steps of the analysis

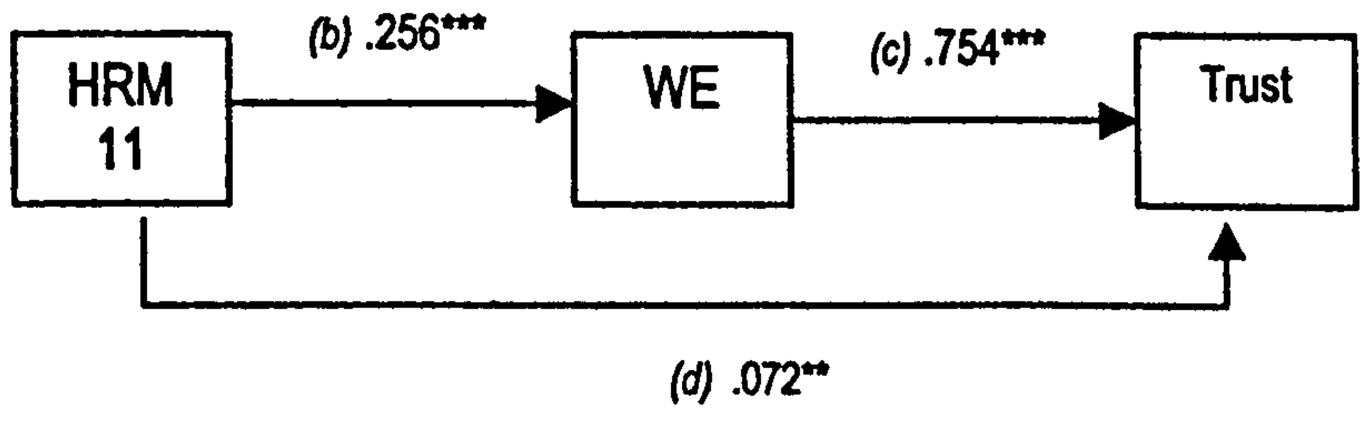


Figure 7.7 shows the direct link between HRM11 and Trust in Management (.265***); Figure 7.8 illustrates the two links which together form the indirect link, here equal to .193 (i.e. .256 x .754). In this case the direct link between HRM11 and Trust in Management retains significance when controlling for WE, indicating partial mediation.

Repeating this process for each of the six outcome variables leads to table 7.5 which summarises the effect of HRM11 on each outcome broken down by direct, indirect and total effects.

Table 7.5 – Direct, indirect and total effects of HRM11 on employee attitudes and behaviour

	(a) Direct effect without controlling for WE	*(b)* Direct effect controlling for WE	*(c)* Indirect effect	*(d)* Total effect	Mediation type
Job Satis.	.173***	NS	.204	.204	Full
OC	.209***	NS	.195	.195	Full
Trust	.265***	.072***	.193	.265	Partial
Stay	.133***	NS	.141	.141	Full
In-Role	.098***	-.092***	.190	.098	Partial
IB/OCB	.052*	-.052*	.104	.052	Partial

** .001, ** .01, * .05, NS = *not significant*

The figures in columns *(a)* and *(b)* are the standardised beta coefficients taken from tables 7.2 and 7.4 and represent the direct effects of HRM11 on the six outcomes variables before and after controlling for WE respectively. Column *(c)* shows the indirect effects which come from multiplying the effects of HRM11 on WE (taken from Table 7.3) by the effects of WE on each attitudinal and behavioural outcome variables (taken from Table 7.4). Column *(d)* shows the total effects, calculated by summing the values in column *(b)* with those in column *(c)*.

In summary, with three of the six outcomes, the direct effect of HRM11 is completely mediated by the overall WE variable, and there is partial mediation with the other three. This demonstrates the key role played by employee work experiences in the relationship between HR practices as a whole and employee related outcomes. It also confirms the need to look at which HR practices and work experiences affect the dependent variables most significantly.

7.6 Detailed results

The above results suggested that it was worth while taking a closer look at the data in order to gain a more detailed understanding of the relationship between HR practices, employee work experiences and employee-related outcomes. To this end, we tested the basic research model using the individual HR practices, work experiences and outcomes in the analysis. In other words, we examined the impact of each of the eleven HR practices on each of the six outcomes separately, as well as the impact of each HR practice on each work experience and that of each work experience on each outcome separately.

To do this a separate set of regressions was run for each outcome variable using, in each case, the standard set of controls, together with the eleven individual HR practices and the five work experiences as independent variables in the analysis.

Table 7.6 shows the direct impact of each HR practice on each outcome without controlling for the five work experiences.

Most of the HR practices were significantly related to at least one of the outcomes. The greatest number of relationships, four, involved *Internal Promotion* which was associated with Job Satisfaction, Organisational Commitment, Trust in Management and IB/OCB. *Employee Rewards* had an effect on three outcomes, while *Development plans*, *Benefit*, *Job control* and *Employment Security* had an effect on just two, and *Systematic Selection Procedures, Training* and *Information Sharing* solely on one. Only two HR practices, *Socialisation* and *Performance Feedback*, had no effect on any of the six outcomes.

Table 7.6 Effect of the 11 HR practices on employee attitudes and behaviour before controlling for work experiences

		Job Satis	OC	Trust	Stay	In-Role	IB/OCB
	Control variables R Square Change	***.101****	***.116****	***.105****	***.142****	***.080****	***.191****
	Systematic Selection Procedures	.048	.060	.065	.131***	.014	.057
	Socialisation	.072	.071	.103	.063	.099	.077
	Training	-.072	-.025	-.026	.038	-.057	-.094*
	Development Plans	.017	.015	.046	-.111**	.061	126***
	Internal Promotion	.118*	.143***	.157***	-.002	.059	.222***
	Employee Rewards	.090*	.041	.174***	.118***	.064	-.014
	Benefits	-.163**	-.043	-.104	-.091	-.175**	-.054
	Performance Appraisal	-.067	.009	.078	-.037	-.043	.004
	Job Control	-.056	-.031	-.005	.055	-.112*	-.106*
	Information Sharing	.177*	.042	-.047	.077	.129	-.138
	Employment Security	-.163*	-.090	-.115	-.056	-.075	-.261***
	R Square Change	***.038****	***.040***	***.069****	***.092****	***.017***	***.026****
	Total R Square	***.140****	***.157****	***.173****	***.182****	***.089****	***.217****
	Adjusted R Square	***.130****	***.147****	***.164****	***.173****	***.087****	***.208****
	(N)	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

Looking at these results from the point of view of the outcomes, Job Satisfaction and IB/OCB are each affected by five practices, Intention to Stay by three, Trust in Management and In-Role Performance by two each and Organisational Commitment, by just one.

Although there is no doubt from these results that HR practices have a significant effect on employee related outcomes, there are two important points that need to be mentioned. The first is the direction of the relationships: an outcome may be influenced positively by one HR practice and negatively by another, reducing or nullifying the overall effect. The second point is that certain relationships that would have been predicted between particular HR practices and outcomes did not materialise. For instance, the existence of just one significant effect on Organisational Commitment and only two on Trust in Management was surprising.

Both these points demonstrate the need to go deeper into the analysis so as to gain a fuller understanding of the processes involved.

Table 7.7 shows the results of regressing the eleven HR practices on the six outcomes when controlling for the five work experience variables as well as for the standard set of structural and demographic controls.

Table 7.7 – Effect of the 11 HR practices on employee attitudes and behaviour when controlling for work experiences

		Job Satis	OC	Trust	Stay	In-Role	IB/OCB
	Control variables R Square Change	***.102****	***.117****	***.105****	***.142****	***.081****	***.190****
	Systematic Selection Procedures	.012	.014	.012	.099***	-.012	.049
	Socialisation	-.011	-.018	.002	.002	.033	.054
	Training	-.045	.011	-.004	.055	-.025	-.050
	Development Plan	-.005	-.012	.041	-.116***	.018	.058
	Internal Promotion	.013	.023	.037	-.068	-.038	.147***
	Employee Rewards	-.007	-.070**	.046*	.036	-.004	-.028
	Benefits	-.058	.072	.012	-.010	-.108*	-.032
	Performance Appraisal	-.076*	.006	.050	-.037	-.068	.000
	Job Control	-.027	-.003	.000	.061	-.075*	-.049
	Information Sharing	.091	-.031	-.111*	.012	.072	-.146*
	Employment Security	-.085	.019	-.022	-.004	-.009	-.182**
	HR practices Square Change	***.004****	***.004****	***.004****	***.018****	***.008****	***.009****
	WE vars R Square change	***.525****	***.510****	***.641****	***.259****	***.450****	***.255****
	Total R Square	***.631****	***.632****	***.749****	***.419****	***539****	***.455***
	Adjusted R Square	***.626****	***.626****	***.745****	***.411****	***.532****	***447***
	(N)	***(1736)***	***(1736)***	***(1736)***	***(1736)***	***(1736)***	***(1736)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

As with the overall HRM11 index (*see* table 7.4), here again introducing the work experience variables modifies the practices-outcomes relationships. In some cases the impact is such that direct associations lose significance: this is so, for example, for the relationship between *Internal Promotion* and Organisational Commitment, and for that between Job Satisfaction and Trust in Management. Other associations, most notably that between *Systematic Selection Procedures* and Intention to Stay, retain significance but at a reduced level.

Table 7.8 shows the impact of each of the eleven HR practices on each of the work experiences analysed. These results represent the first component of the indirect relationship between the HR practices and the outcomes variables (second step of the analysis procedure). The parallel results for the overall analysis using the global HR index and the global WE variable were shown in table 7.3.

Table 7.8 – Effect of the 11 HR practices on work experiences

		PMS	Rewards Equity	Job Compl.	Job Discr.	Empl. Secur.
	Control variables R Square Change	***.131****	***.167****	***.226****	***.079****	***.047****
	Systematic Selection Procedures	.048	.092*	.012	-.037	.052
	Socialisation	.108*	.143*	.031	.038	.023
	Training	-.036	-.060	-.091*	.032	.049
	Development Plans	.038	.002	.138***	-.012	-.091*
	Internal Promotion	.164***	.191***	.150***	.005	-.170***
	Employee Rewards	.113**	.206***	.008	-.018	.160***
	Benefits	-.100	-.265***	-.036	-.036	-.005
	Performance Appraisal	.064	-.100*	-.005	.032	.013
	Job Control	-.033	-.044	-.124***	-.039	.191***
	Information Sharing	.032	.136	-.012	.170*	.134
	Employment Security	-.122	-.264***	-.182*	.112	.255***
	R Square Change	***.072****	***.078****	***.028****	***.027****	***.100****
	Total R Square	***.203****	***.245****	***.253****	***.106****	***.147****
	Adjusted R Square	***.194****	***.236****	***.245****	***.095****	***.137****
	(N)	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

Comparing Tables 7.3 and 7.8 provides some interesting pointers: although there is a strong, positive overall association (.256***) between the two composite variables HRM11 and WE, the effects of the individual HR practices on the different work experiences vary considerably. The use of *Systematic Selection Procedures*, for example, is positively related to Perceived Reward Equity (.092*), while an emphasis on *Employee Rewards* is positively related not only to Perceived Rewards Equity (.206***), but also to Perceived Management Support (.113***) and employee perceptions of Job Security (.160***). In a number of cases the effect of the HR practices is also negative, such as the negative relationship to be found between an emphasis on *Employment Security* and employee perceptions of reward

equity. More generally, the relationship between the individual HR practices and the various employee work experiences is far from even, tending to vary depending on both the specific HR practices and work experiences involved. Overall, however, as the R Square change statistics reported in Table 7.8 show, the impact of the set of eleven HR practices tends to be strongest on employee perceptions of employment security (.100***), reward equity (.078***) and management support (.072***) and weakest on employee perceptions of Job complexity (.028***) and Job discretion (.027***).

The final data required for the analysis comes from the regressions of the employee related outcomes on the five Work experiences, this forming the second component of the indirect impact within the analysis procedure outlined above. Table 7.9 shows the results of these regressions, illustrating the main links between employee perceptions of Management Support, Rewards Equity, Job Complexity, Job Discretion and Job Security and each of the six employee attitudes and behaviours covered in the study.

Table.7.9 – Effect of work experiences on employee attitudes and behaviour

		Job Satis	OC	Trust	Stay	In-Role	IB/OCB
	Control variables R Square Change	***.102****	***.117****	***.105****	***.142****	***.081****	***.190****
	Perceived Management Support	.350***	.376***	.676***	.219***	.374***	.060
	Perceived Rewards Equity	.213***	.259***	.192***	.201***	.050	-.015
	Job Complexity	.147***	.164***	-.088***	.063*	.286***	.508***
	Job Discretion	.210***	.093***	.024	.107***	.167***	.042
	Job Security	.100***	.103***	.087***	.114***	.103***	.042
	R Square Change	***.525****	***.510****	***.641****	***.259****	***.450****	***.255****
	HR practices R Square Change	***.004****	***.004****	***.004****	***.018****	***.008****	***.009****
	Total R Square	***.631****	***.632****	***.749****	***.419****	***539****	***.455***
	Adjusted R Square	***.626****	***.626****	***.745****	***.411****	***.532****	***447***
	(N)	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

As can be seen, the work experience variables are significantly positively associated with all the outcome variables. Each of the work experience variables, in fact, is positively related to at least four out of the six outcomes.

In terms of the outcomes themselves, Job Satisfaction, Organisational Commitment and Intention to Stay are all significantly positively influenced by all five work experiences. Trust in Management is significantly positively affected by all except Job Discretion and Job Complexity; and In-Role Performance is significantly influenced by all except Rewards Equity. IB/OCB is significantly positively influenced only by Job Complexity. This pattern of results is reflected in the R Square change statistics showing that, on the whole, the proportion of the variance in the outcome variables explained by the set of five work experiences tends to be high. This ranges from around 25 percent for IB/OCB to as much as 64 percent for Trust in Management. Overall, as can be seen, the impact is stronger on the attitudinal than on the behavioural outcomes.

Taken together, the results of the more detailed analysis presented in the previous tables make it possible to identify the main paths through which the HR practices affect employee outcomes either positively or negatively. To understand these links more clearly, table 7.10 below brings all the results from tables 7.7 to 7.9 together and summarises the various direct, indirect and total effects involved.

Section a of the Table specifies which are the significant relationships with work experiences for each HR practice. Two points are worthy of note here. First, individual HR practices have different effects on different work experiences and their impact may be either broad (i.e. they affect three or four work experiences) or narrow (i.e. they affect just one or two work experiences). *Systematic Selection Procedures*, for instance, has an effect on only one work experience, *Employee Rewards* on three and *Internal Promotion* on four. We will return to this issue later in the chapter, although it is important to note at this point that all HR practices have an effect on at least one work experience. Second, the effect of the HR practices on the

Table 7.10 – *Summary of all the various direct, indirect and total effect*

HR practices	Section a	Section b			Section c			Section d			Section e			Section f			Section g		
	Effect on work experiences	Job Satisfaction			OC			Trust			In-Role			Stay			IB/OCB		
		Direct controlled effect	Total indirect effect	Total effect	Direct controlled effect	Total indirect effect	Total effect	Direct controlled effect	Total indirect effect	Total effect	Direct controlled effect	Total indirect effect	Total effect	Direct controlled effect	Total indirect effect	Total effect	Direct controlled effect	Total Indirect effect	Total effect
Systematic Sel. Procedures	Rewards Equity (.092*)		.019	.019		.024	.024		.017	.017				.099***	.018	.117			
Socialisation	PMS (.108*) Rewards Equity (.143*)		.068	.068		.077	.077		.100	.100		.040	.040		.053	.053			
Training	Job Complexity (-.091*)		-.013	-.013		-.015	-.015		.010	.010		-.026	-.026		-.006	-.006		-.046	-.046
Development Plans	Job Complexity (.138***) Job Security (-.091*)		.011	.011		.013	.013		-.020	-.020		.030	.030	-.116***	-.002	-.118		.070	.070
Internal Promotion	PMS (.164***) Rewards Equity (.191***) Job Security (-.170***) Job Complexity (.150***)		.102	.102		.117	.117		.118	.118		.087	.087		.064	.064	.147***	.076	.223
Employee Rewards	PMS (.113**) Rewards Equity (.206***) Job Security (.160***)		.098	.098	-.070**	.111	.041	.046*	.130	.176		.058	.058		.084	.084			
Benefits	Rewards Equity (-.265***)		-.056	-.056		-.068	-.068		-.050	-.050	-.108*		-.108*		-.053	-.053			
Performance Appraisal	Rewards Equity (-.100***)	-.076*	-.021	-.097		-.026	-.026		-.019	-.019					-.020	-.020			
Job control	Job Security (.191***) Job Complexity (-.124***)		.001	.001		-.001	-.001		.028	.028	-.075*	-.016	-.091		.014	.014		-.063	-.063
Information Sharing	Job Discretion (.170*)		.036	.036		.016	.016	-.111*		-.111		.028	.028		.018	.018	-146*		-.146
Employment Security	Rewards Equity (-.264***) Job Security (.255***) Job Complexity (-.182*)		-.057	-.057		-.072	-.072		-.012	-.012		-.026	-.026		-.035	-.035	-.182**	-.092	-.274

** .001, ** .01, * .05; Blank = *not significant* – Coefficients in the table are standardised beta coefficients

work experiences may be positive or negative. The effect of *Socialisation*, for example, is positive, while that of *Benefits* is negative.

Sections b to *g* of the Table show the direct controlled effect, the total indirect effect and the total effect of each HR practice on each outcome.

The first column in each of these sections quantifies the direct impact of each HR practice on the relevant outcome once the set of five work experiences are controlled for in the analysis. As can be seen, with all six dependent variables most controlled direct effects are no longer significant. For instance, the only significant impact remaining on Job Satisfaction comes from *Performance Appraisal* (-.076*) and the only one on Organisational Commitment from *Employee Rewards* (-.070**), both of these negative. *Employee Rewards* also retains an impact on Trust in Management (.046*) as does *Information Sharing* (-.111*).

The second column in the section, the total indirect effect, quantifies the overall indirect effect that each HR practice has on the outcome in question through the relevant set of work experiences (step 3 of the analysis procedure). For example, the total indirect effect of *Systematic Selection Procedures* (.019) on Job Satisfaction is calculated by multiplying its impact on Rewards Equity (.092*, in table 7.8) by the impact of Rewards Equity on Job Satisfaction (.213***, in table 7.9). A further example is the total indirect effect of *Internal Promotion* on Organisational Commitment (.117), which comes from adding together four individual indirect effects, each calculated by multiplying the effect of the practice on a given work experience by that of the work experience on Organisational Commitment. To see the procedure in more detail let us look at the total indirect effect of *Employee Rewards* on Intention to Stay. The figure, .084, is the sum of the three individual indirect effects: that of *Employee Rewards* through Rewards Equity, calculated by multiplying the effect of *Employee Rewards* on Rewards Equity by the effect of Rewards Equity on Intention to Stay (.206*** x .201*** = .041); that of *Employee Rewards* through Job Security (.160*** x .114*** = .018) and that of *Employee Rewards* through Perceived Management Support (.113** x .219*** = .025). The same procedure is used for the calculation of all other total indirect effects in the Table.

The third column gives the total effect of each HR practice on each outcome, calculated simply by adding the total indirect effect to the controlled direct effect. For example, the total effect of *Performance Appraisal* on Job Satisfaction comes from adding -.021 (the total indirect effect) to -.076 (the direct controlled effect), giving -.097. In the case of the effect of *Employee Rewards* on Job Satisfaction the direct controlled effect is not significant therefore the total effect remains the same as the total indirect effect, i.e. .098. A further example is the total effect of *Employee Rewards* on Organisational Commitment, .041, which is the sum of .111 (total indirect effect) and -.070 (direct controlled effect). Here, one of the two elements is positive and the other negative and the two therefore act against each other. Hence the positive influence of the practice when taken through the relevant work experiences is partially cancelled by the negative impact of the practice on its own. All total effects are calculated as outlined above.

At this point it is useful to summarise the results and give some comments.

First, all the HR practices have an indirect effect on most or all of the outcomes, most, if not all, of them positive. With three of the outcomes, Job Satisfaction, Organisational Commitment and Intention to Stay, all eleven HR practices produce an indirect impact through one or more work experience. Of the remaining three outcomes, there is no indirect impact from one practice (one missing link) for Trust in Management, three missing links for In-Role Performance and six for IB/OCB. A missing link occurs when a relationship between a work experience and an outcome is not significant, such as that between Job Discretion and IB/OCB (table 7.9) so that a practice, *Information Sharing* in this case, despite having an influence on the work experience can not create a path of indirect influence on the outcome.

Second, *Internal Promotion* and *Employee Rewards* have the largest positive indirect effects on the range of outcomes examined, both bolstered by the positive impact they have on employee perceptions of Rewards Equity and Management Support.

Third, as stated earlier, few HR practices have a significant effect on the attitudinal and behavioural outcomes under examination once the work experience variables are controlled for in the analysis. As with the mediating effect of WE on HRM11 (*see*

Table 7.5), this reveals the importance of employee perceptions of their working environment in mediating their reactions to the norms and procedures set up by their organisation.

Lastly, the total effects of the HR practices vary considerably, both in extent and direction. It is important to remember that in some cases this total effect comes from two concordant effects, i.e. when the direct controlled effect and the total indirect effect are both either positive or negative. In other cases the effects are contradictory or discordant: one positive, one negative. With concordant elements the total effect is boosted, each link augmenting the impact of the other; with discordant effects, the stronger component reverses the effect of the weaker one and the overall effect is reduced or cancelled out. Two examples where the direct and the indirect effects are concordant concern the impact of *Employee Rewards* on Trust in Management, where both effects are positive, and the impact of *Performance Appraisal* on Job Satisfaction where both effects are negative. An example of discordant effect is provided by the direct and indirect effects of *Employee Rewards* on Organisational Commitment.

7.7 Summary of results for individual Outcomes

Against this background it is now possible to give a brief summary of the results for each of the six outcomes under examination, starting with the attitudinal outcomes and then moving on to the behavioural ones. The focus is on the overall observed impact of the different HR practices on each of the six outcome variables. In all cases the HR practices are ranked by total effect, from the most positive to the most negative.

Table 7.11 summarises the effect of each of the eleven HR practices on Job Satisfaction, as mediated by the relevant work experiences shown in Table 7.10. The individual HR practices are presented in rank order of their total effects, going from the practices that have the strongest positive total effect on Job satisfaction to those that have no significant impact, to those that have the strongest negative total effect.

Table 7.11 The impact of the HR practices on Job Satisfaction – Total effects

		Total effect
Positive	*Internal Promotion*	.102
	Employee Rewards	.098
	Socialisation	.068
	Information Sharing	.036
	Systematic Selection Procedures	.019
	Development Plans	.011
	Job Control	.001
Negative	*Training*	-.013
	Benefits	-.056
	Employment Security	-.057
	Performance Appraisal	-.097

As can be seen, *Internal Promotion* and *Employee Rewards* have the strongest positive effect; *Performance Appraisal* and *Employment Security* the largest negative influence. *Job Control* has practically no impact.

Table 7.12 shows the overall effect of the HR practices on Organisational Commitment.

Table 7.12 – The impact of the HR practices on OC –Total effect

		Total effect
Positive	*Internal Promotion*	.117
	Socialisation	.077
	Employee rewards	.041
	Systematic Selection Procedures	.024
	Information Sharing	.016
	Development Plans	.013
	Job control	-.001
Negative	*Training*	-.015
	Performance Appraisal	-.026
	Benefits	-.068
	Employment Security	-.072

The largest positive effects on Organisational Commitment come from *Internal Promotion* and *Socialisation,* the two most negative practices are *Employment Security* and *Benefits*. Again, *Job Control* has almost no impact.

Table 7.13 shows the overall impact of HR practices on Trust in Management.

Table 7.13 – The impact of the HR practices on Trust in Management – Total effects

		Total effect
Positive	*Employee Rewards*	.176
	Internal Promotion	.118
	Socialisation	.100
	Job Control	.028
	Systematic Selection Procedures	.017
	Training	.010
Negative	*Employment Security*	-.012
	Performance Appraisal	-.019
	Development Plans	-.020
	Benefits	-.050
	Information Sharing	-.111

Employee Rewards and *Internal Promotion* are the HR practices that have the most significant positive effect on Trust in Management, while *Information Sharing* and *Benefits* have the strongest negative effect.

Table 7.14 shows the overall impact of HR practices on In-Role Performance.

Table 7.14 – The impact of the HR practices on In-Role Performance – Total effects

		Total effect
Positive	*Internal Promotion*	.087
	Employee Rewards	.058
	Socialisation	.040
	Development Plans	.030
	Information Sharing	.028
	Systematic Selection Procedures	/
	Performance Appraisal	/
Negative	*Employment Security*	-.026
	Training	-.026
	Job Control	-.091
	Benefit	-.108

Here again, *Internal Promotion* and *Employee Rewards* have the greatest positive impact, while *Job Control*, and *Benefit* are the most negative. In the case of In-role Performance, two HR practices, namely *Systematic Selection Procedures* and *Performance Appraisal*, have no overall effect.

Table 7.15 shows the overall effect of the HR practices on Intention to Stay.

Table 7.15 – The impact of the HR practices on Intention to Stay – Total effects

		Total effect
Positive	*Systematic Selection Procedures*	.117
	Employee Rewards	.084
	Internal Promotion	.064
	Socialisation	.053
	Information Sharing	.018
	Job Control	.014
Negative	*Training*	-.006
	Performance Appraisal	-.020
	Employment Security	-.035
	Benefits	-.053
	Development Plans	-.118

The HR practices that have the strongest positive effect on Intention to Stay are *Systematic Selection Procedures* and *Employee Rewards,* while those that have the strongest negative effect are *Benefits* and *Development Plans.*

Table 7.16 shows the overall effect of HR practices on IB/OCB.

Table 7.16 – The impact of the HR practices on IB/OCB – Total effects

		Total effect
Pos	*Internal Promotion*	.223
	Development Plans	.070
	Systematic Selection Procedures	/
	Socialisation	/
	Employee Rewards	/
	Benefits	/
	Performance Appraisal	/
Negative	*Training*	-.046
	Job Control	-.063
	Information Sharing	-.146
	Employment Security	-.274

Those with the most positive impact are *Internal Promotion* and *Development Plans*; *Employment Security* and *Information Sharing* have the most negative effect. It should also be noted that a considerable number of practices, namely *Systematic Selection Procedures*, *Socialisation*, *Employee Rewards*, *Benefits* and *Performance Appraisal*, do not have any overall impact on the level of employees' IB/OCB.

Table 7.17 below summarises the above total effects, showing the two HR practices that have the strongest overall positive impact and the two that have the strongest negative impact on each of the outcomes.

Table 7.17 – HR practices that have the strongest positive and negative effects on the outcomes

		Job Satisfaction	Organisational Commitment	Trust in Management	In-Role Performance	Intention to Stay	IB/OCB
Pos	1	*Internal Promotion*	*Internal Promotion*	*Employee Rewards*	*Internal Promotion*	*Selection Procedure*	*Internal Promotion*
	2	*Employee Rewards*	*Socialisation*	*Internal Promotion*	*Employee Rewards*	*Employee Rewards*	*Develop. Plans*
Neg	1	*Perform. Appraisal*	*Employm. Security*	*Information Sharing*	*Benefits*	*Develop. Plans*	*Employm. Security*
	2	*Employm. Security*	*Benefits*	*Benefits*	*Job Control*	*Benefits*	*Information Sharing*

As can be seen, there is considerable consistency in the HR practices that have the strongest positive effect on the outcomes. These are *Internal Promotion* and *Employee Rewards*. In contrast, there is considerably greater variance in the HR practices that have the strongest negative effects on the range of employee outcomes.

7.8 Major points emerging from the individual level analysis

The results of the individual level analysis substantiate the validity and importance of integrating the macro (strategic) and micro (functional) sides of HR and of expanding the focus of research to include the influence of intervening variables such as work experiences. A number of researchers (Beker and Gerhart, 1996; Guest, 2001; Guest, 2002; Harris and Ogbonna, 2001) have commented on the importance of examining the links between an organisation's HR practices and performance, so as to open the "black box" between the two. They have suggested developing and testing more

complete, better structured models, one recommendation being to take into account key intervening variables, as was done in the present study.

The major findings of the individual level analysis presented above will be discussed and elaborated in detail in the final chapter. Here I just limit myself to summarising the main points emerging from the analysis so far:

- The effect of the overall HRM11 index on the outcomes is, in all cases, either fully or partially mediated by the work experiences, thereby providing strong direct support for the basic conceptual model underpinning the research and tested in the analyses.
- This full or partial mediation also operates at the level of individual HR practices. The effect of most of the eleven HR practices on employee outcomes, in fact, is either fully or partially mediated by work experiences.
- The overall effects of the HR practices are highly disparate and complex, much more so than previous studies have assumed. They do not fit comfortably into the frequently-quoted Ability, Motivation, Opportunity model.
- Of the practices aimed at improving skills and knowledge, *Systematic Selection Procedures* and *Socialisation* have a positive effect on all outcomes; *Development Plans* has a positive effect on four of the six outcomes (i.e. Job Satisfaction, Organisational Commitment, In-Role Performance and IB/OCB) and *Training* has a negative impact on all outcomes except Trust in Management.

- The practices concerned with employee motivation produce contradictory or divergent effects: the effects of *Internal Promotion* and *Employee Rewards* are consistently positive, while the effects of *Benefits* and *Performance Feedback* are always negative.

- Of the practices relating to employee participation, *Information Sharing* has a positive impact on all outcomes, while *Employment Security* has a negative effect on all outcomes. In contrast, the effect of *Job Control* is mixed: positive on Trust in Management and Intention to Stay and negative or insubstantial on the other outcomes.

- Employee perceptions of their working environment and conditions have a significant positive effect on all the outcomes examined - the more positive employees' work experiences, the more positive their attitudes and behaviour.

- The direct controlled impact of HR practices can be positive or negative and so augment, reduce or cancel out their indirect effect.

- Individual HR practices may have a positive, negative or mixed impact on work experiences, leading to their overall impact on outcomes being nullified. This may operate through an HR practice having a positive effect on one work experience and a negative effect on another, for example the impact of *Employment Security* on Job Security and Job Complexity respectively. Alternatively, the total effects may result from two HR practices having contrasting effects on a single work experience, for example, the impact of *Systematic Selection Procedures* (positive) and *Performance Appraisal* (negative) on Rewards Equity.

- A number of recurrent positive associations are to be found between the HR practices and the work experiences. These can therefore be presumed to form a "pathway" linking the practices to the outcomes. The breadth of the positive effects going through Perceived Management Support and Perceived Rewards Equity across the range of outcomes is notable in this context.

- In general, the HR practices that have the greatest overall positive effect on outcomes are those that also have the greatest positive mediated effects going through the work experiences.

- Importantly, however, despite all the above, some of the effects of the HR practices on work experiences are counter-intuitive and difficult to understand and explain. Neither can it be assumed that all effects are causal rather than simple associations. We return to this and the other point outlined above later in the discussion.

7.9 Chapter summary

The aim of this chapter was to examine the results of the research at the individual level of analysis. The analysis procedures used were first explained. This was followed by a discussion of the specific variables used in the analysis and by the presentation of the results.

The overall results using global measures of the HR practices and of the employee work experience were presented first, followed by more detailed results for each of the HR practices linked to each of the outcomes under consideration.

The chapter closed with a summary of the main results that emerged from this part of the research.

The aggregate level results, which follow the same approach, are presented in the next chapter.

CHAPTER 8

AGGREGATE LEVEL FINDINGS

8.1 Introduction

Having reviewed the individual level results, we now move on to complete our findings by looking at the results of the aggregate level analysis on the direct and indirect impact of the eleven HR practices examined on our six attitudinal and behavioural variables. The results derive from the analysis of data from 58 groups, these formed from each of the five occupational groups in each of the twelve organisations surveyed (two organisations only had four occupational groups).

The first part of the chapter looks at the rationale and statistical evidence for an aggregate level analysis of the data, explaining the statistical tests used.

The second part examines the results themselves. A brief description of the analysis procedure adopted is provided as well as an outline of the specific variables used. The findings are then presented first in general form, using global measures of both HR practices and employee work experiences, and providing a comprehensive overview of the major links found between the variables under examination. This is followed by the results of a more detailed analysis of the data, using three HR factors alongside two single HR practices. Comparisons with the individual level results are provided throughout.

The final section of the chapter provides a summary of the results.

8.2 Rationale for the adoption of an aggregate level of analysis

A number of studies have stressed that the preferential level of analysis should be aggregate if we are to best advance our understanding of the impact of Human Resource practices on corporate or employee outcomes (Smithey Fulmer, Gerhart, Scott, 2003; Ostroff and Bowen, 2000; Wright and Boswell 2002) .

Several macro/strategic studies have consistently focused on an aggregate level of analysis. In most cases, however, the unit of analysis has been the company as a whole or individual business units, establishments or workplaces (Huselid, 1995, Gardner et al., 2000). In contrast, in the present study the aggregate unit of analysis is the occupational group.

There are a number of reason for carrying out the analysis at an aggregate level and focusing on the occupational group as the main unit of analysis. First, ordinary least square multiple regression analysis is based on the underlying assumption that observations are independent, i.e. that each answer provided by each respondent is independent of that of other respondents. This independence condition is normally met when respondents, for example, come from different organisations. However, when multiple respondents, as in the present case, came from the same occupational group in the same organisation (i.e. when respondents are nested within occupational group within organisations), the condition of independence is not met. In such circumstances, the regressions estimates based on individual level analysis of the data can be biased (Bliese, 2000). One possible way to deal with this problem is to aggregate the data at the group level and use the resulting average group level scores, rather then the individual level scores, in the analysis. This is the procedure adopted in this part of the present study.

A second and related reason for aggregating responses at the level of the occupational group and testing our research model at the aggregate group level of analysis has to do with the nature of the HR practices in organisations. Specifically, such practices are not normally distinct for each employee, rather they are applied to the entire workforce or to various groups of employees, usually delineated by occupational

type. In other words, it is usually the single organisation which decides, consistent with its corporate and personnel strategies, which HR practices are to be applied to which occupational groups. As the aim of the study was to evaluate the impact of these practices on employee related outcomes, the occupational groups within each organisation were logically the main discriminators to use. In such a situation, where all employees in an occupational group are subjected to the same set of practices and hence their perceptions are shaped by the same experiences, the assumption of independence can no longer stand and analysing at an aggregate group level becomes the appropriate approach.

A final factor prompting the adoption of aggregate level analysis is that in an individual-level dataset companies with a larger workforce could weight disproportionately, leading to possible distortions in the results. This risk is removed in aggregate level analysis since it is based on the average result from each occupational group in each organisation. It is important to note, however, that because in the aggregate analysis the unit of analysis is the occupational group rather then the individual employee, the number of cases on which the aggregate analysis is based is necessarily much more restricted (i.e. 5 occupational groups x 12 organisations = 58 cases, given that two organisations only had four groups represented). This is a major drawback of the aggregate level analysis. In other words, although appropriate and important for testing the research model and understanding the impact of the HR practices on employee outcomes, the aggregate level of analysis suffers from the fact that it involves only a limited number of cases. For the reasons outlined above, however, it is important to examine the data at both an individual and aggregate level of analysis and to consider the results of the aggregate analysis in conjunction with those of the individual analysis, hence the focus of the present chapter.

Table 8.1 summarises the practices in place for each occupational group in each of the twelve organisations surveyed.

Table 8.1 – Summary of the HR practices in place for each occupational group in the twelve organisations

		Syst. Selection procedures	Socialisation	Training	Development plans	Internal promotion	Employee Rewards	Benefits	Performance appraisal	Job control	Information sharing	Employment security
Trivellato	Clerical/administrative	4	n	5	y	4	5	y	n	n	n	5
	Production/services	4	n	5	y	4	5	y	n	n	n	5
	Professional	4	n	6	y	4	5	y	n	n	n	5
	Managerial/supervisory	4	n	6	y	4	5	y	n	n	n	5
	Senior managerial/executive	4	n	6	y	4	5	y	n	n	n	5
KPMG	Clerical/administrative	4	y	2	n	4	4	y	n	n	y	4
	Production/services	4	y	2	n	4	4	y	n	n	y	4
	Professional	4	y	3	y	4	4	y	n	n	y	4
	Managerial/supervisory	4	y	4	y	4	4	y	n	n	y	4
	Senior managerial/executive	4	y	4	y	4	4	y	n	n	y	4
Gore	Clerical/administrative	5	y	2	n	4	4	y	n	n	y	5
	Production/services											
	Professional	5	y	2	y	4	4	y	y	n	y	5
	Managerial/supervisory	5	y	2	y	4	4	y	y	n	y	5
	Senior managerial/executive	5	y	2	y	4	4	y	y	n	y	5
Balfour Beatty	Clerical/administrative	4	y	1	n	4	5	y	n	n	n	5
	Production/services	4	y	1	n	4	5	y	n	n	n	5
	Professional	4	y	6	y	4	5	y	n	n	n	5
	Managerial/supervisory	4	y	5	y	4	5	y	n	n	n	5
	Senior managerial/executive	4	y	5	y	4	5	y	n	n	n	5
Boerigher	Clerical/administrative	4	y	1	n	4	3	y	n	y	y	4
	Production/services	4	y	1	n	4	3	y	n	y	y	4
	Professional	4	y	5	y	4	3	y	y	y	y	4
	Managerial/supervisory	4	y	5	y	4	3	y	y	y	y	4
	Senior managerial/executive	4	y	4	y	4	3	y	y	y	y	4
Technogym	Clerical/administrative	5	y	1	y	5	4	y	n	y	y	5
	Production/services	5	y	3	y	5	4	y	n	y	y	5
	Professional	5	y	3	y	5	4	y	y	y	y	5
	Managerial/supervisory	5	y	4	y	5	4	y	y	y	y	5
	Senior managerial/executive	5	y	4	y	5	4	y	y	y	y	5
Mantero	Clerical/administrative	4	n	0	n	4	2	n	n	n	n	4
	Production/services	4	n	0	n	4	2	n	n	n	n	4
	Professional	4	n	4	y	4	2	n	n	n	n	4
	Managerial/supervisory	4	n	0	y	4	2	n	n	n	n	4
	Senior managerial/executive	4	n	4	y	4	2	n	n	n	n	4
GRTN	Clerical/administrative	5	y	0	n	4	4	n	n	n	n	5
	Production/services	5	y	0	n	4	4	n	n	n	n	5
	Professional	5	y	0	n	4	4	n	n	n	n	5
	Managerial/supervisory	5	y	0	n	4	4	n	n	n	n	5
	Senior managerial/executive	5	n	0	n	4	4	y	n	n	n	5

y = policy applied; n = policy not applied
Training: 0 = no training; 1 = 1 day of training; 2 = 2 days of training; 3 = 3 days of training; 4 = 4 days of training; 5 = 5 days of training; 6 = 6 days or more of training.
For all other HR practices: 1 = it is a principle the organization opposes; 2 = it is a principle about which our organization has not clear view; 3 = the organisation would probably claim to support this principle but is unlikely to give it much priority in practice; 4 = it is a principle that the organization actively supports and tries to practice; 5 = it is a principle the organization strongly supports, makes determined steps to practice and monitors to ensure its implementation.

Table 8.1 – Summary of the HR practices in place for each occupational group in the twelve organisations (part 2)

		Syst. Selection procedures	Socialisation	Training	Development plans	Internal promotion	Employee Rewards	Benefits	Performance appraisal	Job control	Information sharing	Employment security
ST Micro	Clerical/administrative	4	y	3	y	4	4	y	y	y	y	4
	Production/services	4	y	3	y	4	4	y	y	y	y	4
	Professional	4	y	1	y	4	4	y	y	y	y	4
	Managerial/supervisory	4	y	0	y	4	4	y	y	y	y	4
	Senior managerial/executive	4	y	0	y	4	4	y	y	y	y	4
Kimberly	Clerical/administrative	4	y	2	n	5	4	y	n	n	y	4
	Production/services	4	y	6	n	5	4	y	n	n	y	4
	Professional	4	y	6	y	5	4	y	y	n	y	4
	Managerial/supervisory	4	y	4	y	5	4	y	y	n	y	4
	Senior managerial/executive	4	y	4	y	5	4	y	y	n	y	4
Candy	Clerical/administrative	4	n	2	n	3	3	n	n	n	n	4
	Production/services	4	n	2	n	3	3	n	n	n	n	4
	Professional	4	y	2	y	3	3	y	n	n	n	4
	Managerial/supervisory	4	y	2	y	3	3	y	n	n	n	4
	Senior managerial/executive											
TicketOne	Clerical/administrative	1	n	0	n	4	5	n	n	n	n	5
	Production/services	1	n	0	n	4	5	n	n	n	n	5
	Professional	1	n	0	n	4	5	y	n	n	n	5
	Managerial/supervisory	1	n	0	n	4	5	y	n	n	n	5
	Senior managerial/executive	1	n	0	n	4	5	y	n	n	n	5

y = policy applied; n = policy not applied
Training: 0 = no training; 1 =1 day of training; 2 = 2 days of training; 3 = 3 days of training; 4 = 4 days of training; 5 = 5 days of training; 6 = 6 days or more of training.
For all other HR practices: 1 = it is a principle the organisation opposes; 2 = It is a principle about which our organisation has no clear view; 3 = the organisation would probably claim to support this principle but is unlikely to give it much priority in practice; 4= It is a principle that the organisation actively support and tries to practice; 5 = It is a principle the organisation strongly supports, makes determined steps to practice and monitors to ensure its implementation

It is worth noting two main points that emerge from this table. First, the vast majority of the HR practices analysed, precisely eight out of eleven, tend to be applied blanket-fashion to all employees. These results seem to contradict Lepak and Snell's (1999) thesis on the differential application of HR policies in companies. According to these authors, in fact, some employee groups are more instrumental to a company's success than others and so are likely to be managed differently. It should be important to note, however, that the three practices which tend to exhibit a differential application, namely *Performance appraisal, Development plans* and *Training* are those precisely designed to identify and support the best performing employees. This, therefore, suggest that companies may indeed concentrate on those employees whom they consider to be more distinctive and valuable. A second related point comes from a

consideration of the specific occupational group to which these practices are more likely to be applied. Looking at the twelve organisation, it can be seen that these practices are primarily applied to Professionals, Managers/Supervisors and Senior managers/executive. This highlights the fact that there are organisational groups which benefit from more practices then others, and that these groups are those including employees with higher qualifications.

8.3 Statistical support for aggregate level analysis

Before carrying out any aggregate level analysis it was necessary to ensure statistically that it was appropriate to do so. This was done by means of three tests. The first evaluated whether the differences between the occupational groups were sufficiently large to justify the use of aggregate group level analysis. The second tested whether the variables adopted in the analysis were reliable at aggregate level. The third test assessed the degree of agreement between respondents within groups and, therefore, whether it was appropriate and justifiable to aggregate the employee work experiences and outcomes data at the group level and use average group scores in the analysis. Let us now look at these tests in greater detail.

The first test measured ICC(1), an intraclass correlation coefficient which is calculated from a one-way ANOVA, the dependent variables being the various work experiences and outcomes variables of interest and the independent variable being occupational group membership (Bliese, 2000; James, 1982). The ICC(1) is calculated from the ratio of the between-group variance to total variance. Specifically, using Bartko's formula (1976), ICC(1) is equal to the difference between the *between-group mean square* and the *within-group mean square*, divided by the product of the group size minus one and the sum of the *between-group mean* square and the *within-group mean square*. A non-zero ICC(1) value indicates clustering of scores by occupational group. It therefore provided *prima facie* evidence of variation in employee work experiences and outcomes across the different groups in the sample and, therefore, of the value and importance of analysing the data at an aggregate level (Bliese, 2000).

The second test measured ICC(2), a further intraclass correlation coefficient, this time estimating the reliability of the group mean scores. This is also calculated from the mean square from one-way ANOVA and is equal to the difference between the *between-group mean square* and the *within-group mean square* divided by the *between-group mean square*. ICC(2) values greater then .70 are commonly taken to indicate acceptable levels of reliability in aggregate level measures (Bliese, 2000).

The third test measured R_{WG}, the within-group interrater reliability. The factor is obtained by multiplying the observed variance of each variable by the expected variance of the variable if all judgments were due exclusively to random measurement error and then subtracting 1. Normally, R_{WG} values greater then .60 indicate a sufficiently high level of agreement among group members to justify aggregation of the data to the level of the group (Bliese, 2000).

Results from all three tests (as shown in table 8.2 below) provided the necessary justification for adopting aggregate level analysis. All variables tested, both those relating to work experiences and the attitudinal and behavioural outcomes, gave high ICC(1) values of between .100 and .246, except for a slightly lower .091 for In-Role Performance. ICC(2) values were consistently high too, with Perceived Rewards Equity and Job Complexity being the highest at .90. All R_{WG} values exceeded .60 except for Intention to Stay (.47).

Table 8.2 – Results of the three tests that justify the adoption of the aggregate level analysis

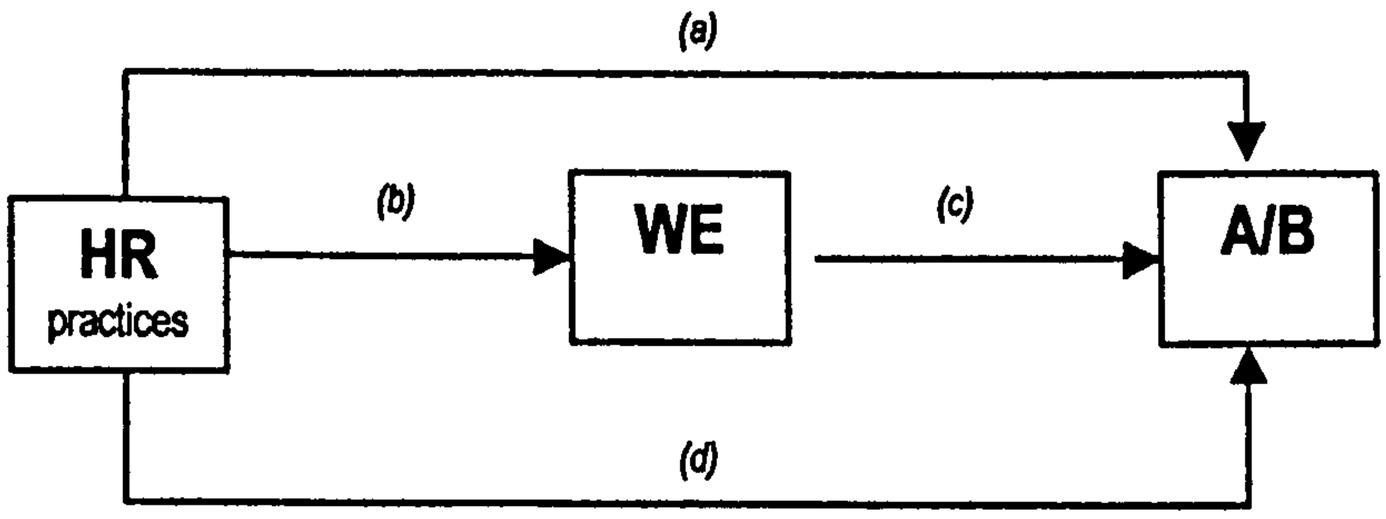
		ICC(1)	ICC(2)	R_{WG}
	Satisfaction	.149	.84	.73
	OC	.156	.85	.75
	Trust	.161	.85	.71
	Intention to Stay	.110	.78	.47
	In-Role Performance	.091	.75	.78
	IB/OCB	.215	.89	.83
	Perc. Manag. Support	.168	.87	.77
	Perc. Rewards Equity	.241	.90	.72
	Job Complexity	.246	.90	.74
	Job Discretion	.100	.77	.70
	Job Security	.144	.83	.66

8.4 Analysis procedures

The aggregate level analysis of the mediating effect of work experiences on the relationship between Human Resource practices and employee related outcomes followed the same multi-step approach (Baron and Kenny, 1986) described in Chapter 7 for the individual level analysis. That is to say, the analysis once again comprised a three-stage procedure involving first a regression of the outcomes on the HR practices; second a regression of the work experiences on the HR practices; and third a regression of the outcomes on the work experiences and the HR practices together.

This meant we could examine the direct impact of the HR practices on the attitudinal/behavioural outcomes (A/B), the direct impact when controlling for work experiences (WE), and, vitally, the mediating effects of the work experiences in the relationship between the practices and the outcomes. These aspects are represented schematically in figure 8.1 below.

Figure 8.1 - Summary of the multi-step analysis



Path *(a)* represents the first step, the direct effect of the HR practices on the employee attitudes and behaviour, without controlling for the work experience variables. Path *(b)* represents the effects of the HR practices on the work experiences, the second step. Path *(c)* represents the effects of the work experiences on the employee attitudes and behaviour, the third step of the analysis; and path *(d)*, also relating to the third

step of the analysis, represents the impact of the HR practices on the employee attitudes and behaviours when controlling for the work experiences.

Just as with the individual level analysis, our main aim was to measure the impact of the HR practices on employee attitudes and behaviours, and to assess the extent to which any impact that existed was mediated by employees' work experiences.

As detailed in Chapter 7, mediation takes place when link *(a)* in Figure 8.1 is significant in the first step of the analysis, and links *(b)* and *(c)* are significant in the second and third steps. Mediation may be full or partial depending on whether or not link *(d)* remains significant when controlling for the work experiences.

At this point we should stress once again that the aggregate data came from a sample base of 58 (the averaged results for each of the five occupational groups in each of the twelve organisations) compared with an individual-level sample base of 1,747 (the total number of respondents). The small size of the aggregate-level sample meant that the analysis could not yield the same degree of detail provided at individual level. It did, though, lend itself to testing by using more globally-based measures of HR practices, as well as of work experiences. These measures, which included "bundles" or composite measures of HR practices will be described more fully below.

The practice of adopting "bundles" or composite measures of HR practices is consistent with many previous studies (Guthrie, 2001; Huselid, 1995; MacDuffie, 1995). According to MacDuffie (1995), implicit in the notion of a bundle is the concept that bundled practices are interrelated and internally consistent, and that, as far as their impact on outcomes is concerned, "more is better" because multiple practices will give overlapping and mutually reinforcing effects. Therefore, the loss of detail, from the inability to analyse each HR practice individually, is compensated by a gain of depth, through bundling.

8.5 Variables used in the aggregate analysis

The aggregate-level analysis embraced each of the HR practices, work experiences and employee attitudes and behaviour outlined in previous chapters. For this analysis, however, as we had done at the individual level, we developed two additional variables so that we might assess the mediating effect of work experiences as a whole: one grouping the individual work experiences, and one grouping the individual HR practices.

The aggregate-level overall Work Experiences variable (AWE) was constructed in the same way as at individual level (*see* Chapter 7, section 4) this time, though, using the aggregate data at the level of the occupational group to construct the measure. This new aggregate work experience scale exhibited a good level of internal reliability (alpha coefficient =.89). The aggregate-level overall HR practices variable (AHRM11) was also calculated in the same way as at the individual level by taking the mean of the standardised scores of the eleven practices per group (alpha coefficient = .75).

In addition, though, at group level the HR practices were clustered into factors by means of a factor analysis of the standardised scores of each, using principal component extraction with varimax rotation. The results of the factor analysis are shown in Table 8.3.

Table 8.3 Results of factor analysis of HR practices at aggregate level

	Factor 1	Factor 2	Factor 3	Factor 4	Rel.
Information sharing	.932				.86
Performance appraisal	.831				
Socialisation	.670				
Employee rewards		.879			.66
Employment security		.745			
Internal promotion		.542			
Benefit		.539			
Training			.856		.76
Development plans			.840		
Job control				.825	.49
Systematic Selection procedures				.695	

Only factor loading > .30 are shown

As can be seen, three HR factors having good reliability levels emerged from the factor analysis. The first, *Integration*, grouped the HR practices concerned with *Socialisation*, *Information Sharing* and *Performance Appraisal* and had a Cronbach's alpha of .86. The second, *Rewards*, clustered *Employee Rewards*, *Benefits*, *Internal Promotion* and *Employment Security* and yielded a Cronbach's alpha of .66. The third factor, *Training and Development*, comprised just two practices, *Training* and *Development Plans*, and produced a Cronbach's alpha of .76. A fourth factor emerged, grouping the HR practices concerned with *Systematic Selection procedures* and *Job control*, but the low level of internal reliability that it exhibited (.49), induced us to consider it more appropriate to keep these two practices separate.

A strength of the above form of multilevel approach was that it allowed me to compare the individual-level and aggregate-level results (Smithey Fulmer, Gerhart, Scott, 2003) and if, as expected, they were broadly similar, reinforce the validity of the study findings. But to do this credibly required a like-with-like comparison, meaning that the individual-level data needed to be reanalysed with the HR practices clustered into the same three factor groups used at aggregate level. The reliability values of the individual-level HR practice clusters (*Integration*: $\alpha = .87$; *Rewards*: $\alpha = .69$; *Training and Development*: $\alpha = .71$) matched those obtained at aggregate level very closely, validating this approach.

8.6 Detailed results

If our overall findings were to be robust, those at aggregate level needed to confirm those at individual level and show that the role of work experiences in mediating the relationship between HR practices and employee related outcomes was an important one. We therefore proceeded in a similar manner, first looking at the extent to which Work Experiences taken as a whole (the AWE variable) mediated the relationship between the HR practices taken as a whole (the AHRM11 variable) and each of the employee attitudes/behaviour. It should be noted, however, that, unlike at the individual level of analysis, we did not include the structural and demographic variables in the aggregate-level regressions since the two most significant of these, work position and organisation, formed the basis on which the sample was grouped

and therefore already formed part of the analysis. The regression results are shown in the tables below.

Table 8.4 below shows the direct effect of AHRM11 on each of the outcomes.

Table 8.4 - Direct impact of AHRM11 on aggregate employee attitudes and behaviour

	Job Satis	OC	Trust	Stay	In-Role	IB/OCB
AHRM11	.472***	.586***	.591***	.383**	.365**	.230*
Total R Square	***.223****	***.344****	***.349****	***.146****	***.133****	***.053****
Adjusted R Square	***.208****	***.332****	***.338****	***.131****	***.117****	***.036****
(N)	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

As can be seen, the beta coefficients in all the regressions are both positive and significant, showing that the HR practices taken together have a positive effect on all outcomes at aggregate as well as at individual level. This reinforces our finding that companies whose HRM strategy involves a large number of practices are more likely to see favourable attitudes and behaviours among their personnel then those which implement only a few HR practices.

From the R square results it can be seen that AHRM11 accounts for a high level of variance in the attitudinal variables, with values of between 21% to 34%, but less so in the behavioural variables, where levels go from 13% down to 4%, this latter for IB/OCB.

Table 8.5 shows the effect of AHRM11 on AWE (.604***), the composite or global aggregate level work experience variable. As can be seen, the impact is positive and highly significant, stronger than the comparative individual-level result. This constitute the first component of the indirect effect of the HR practices on the employee outcomes, as described above.

Table 8.5 - Direct impact of AHRM11 on overall aggregate employee work experiences(AWE)

		AWE
	AHRM11	.604***
	Total R Square	***.365****
	Adjusted R Square	***.354****
	(N)	***(58)***

*** .001, ** .01, * .05 Coefficients in the table are standardised beta coefficients

Table 8.6 shows the impact of AHRM11 on the outcomes when controlling for AWE, this representing the second component of the indirect relationship between the HR practices and the outcomes.

Table 8.6. - Impact of AHRM11 on aggregate employee attitudes and behaviour controlling for the AWE factor

		Job Satis	OC	Trust	Stay	In-Role	IB/OCB
	AWE	.973***	.893***	.700***	.465***	.997***	.925***
	R Square Change	***.816****	***.848****	***.643****	***.227****	***.742****	***.528****
	AHRM11	-.116	.047	.168	.102	-.245**	-.329**
	R Square Change	***.009***	***.001***	***.018***	***.007***	***.038****	***.069****
	Total R Square	***.825****	***.850****	***.661****	***.284****	***.780****	***.597****
	Adjusted R Square	***.818****	***.844****	***.649****	***.258****	***.772****	***.582***
	(N)	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

The figures corroborate the significant positive associations found at individual level between the work experiences variable and each of the outcomes. They also show that, once more, introducing an overall Work Experience variable significantly modifies the direct relationships between each of the outcomes and the grouped HR practices: four of the six effects on the outcomes lost significance and the other two, In-Role Performance and IB/OCB, became negative. The only difference between the aggregate and individual level results is that Trust in Management lost significance only in the former analysis.

The R-Square change figures are of interest here in quantifying the relative contribution of the work experiences and of the HR practices in accounting for the observed variation in the aggregate employee outcomes. As can be seen from the Adjusted R-Square statistics, the work experiences and HR practices together account for a high proportion of the variance in the outcome variables, ranging from 23% for Intention to Stay to 85% in the case of Organisational Commitment. In all cases, however, the contribution of the HR practices is very small, as reflected in the low R-Square change statistics for the AHRM11 variable.

Figures 8.2-8.5 below provide a schematic representation of the two types of mediation appearing in tables 8.4-8.6. Figures 8.2 and 8.3 illustrate a full mediation situation, the example taken being Job Satisfaction; while figures 8.4 and 8.5 illustrate a partial mediation situation with IB/OCB as the example

Figure 8.2 Example of full mediation - first step of the analysis

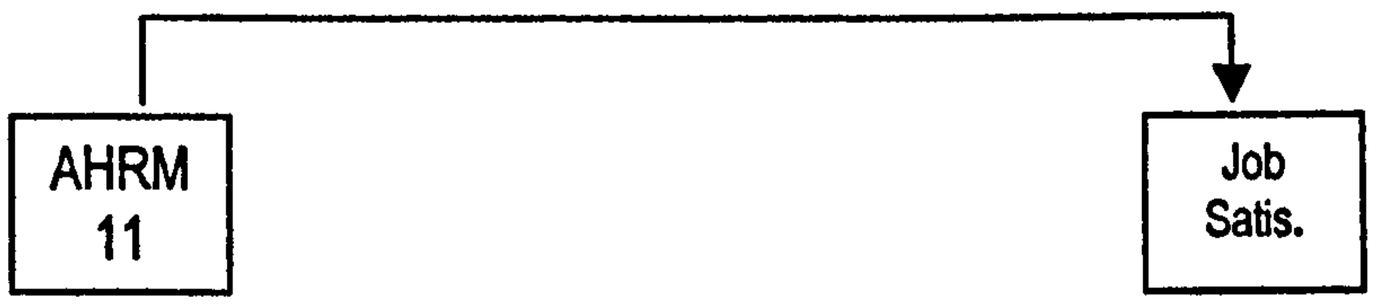


Figure 8.3 Example of full mediation - second and third step of the analysis

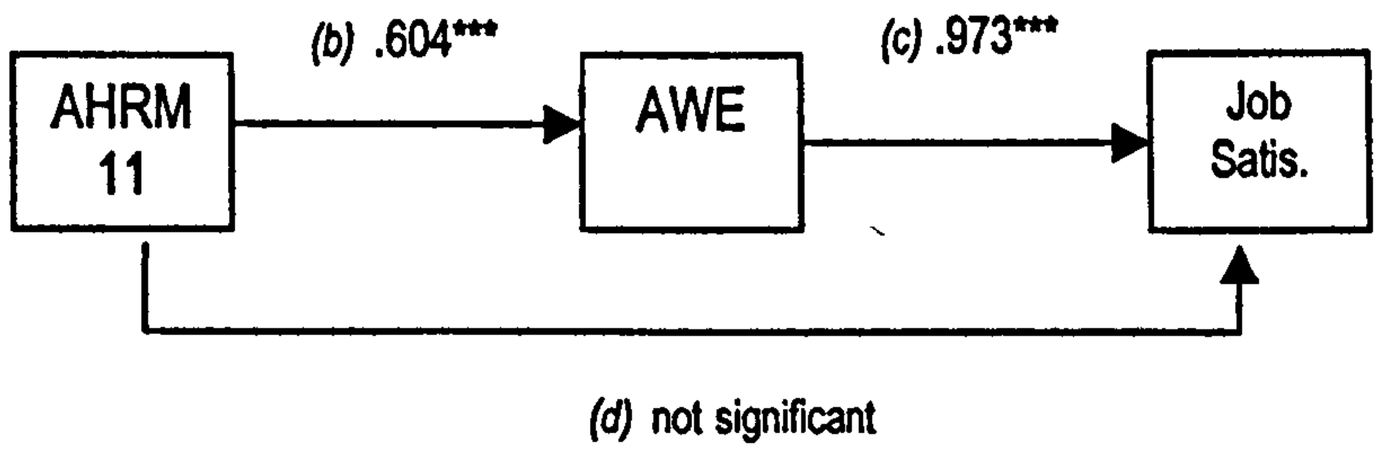


Figure 8.2 represents the first step of the analysis procedure outlined above and shows the significant positive direct link between AHRM11 and Job Satisfaction (.472***). Figure 8.3 represents the full mediation of AWE between these two variables. The

direct link between AHRM11 and Job Satisfaction *(d)* loses significance when controlling for AWE, but the two links *(b)* and *(c)*, which determine the mediation, are both significant. The indirect link is quantified by multiplying the *(b)* link coefficient (.604***) by the *(c)* link coefficient (.973***), giving .587.

Figure 8.4 Example of partial mediation - first step of the analysis

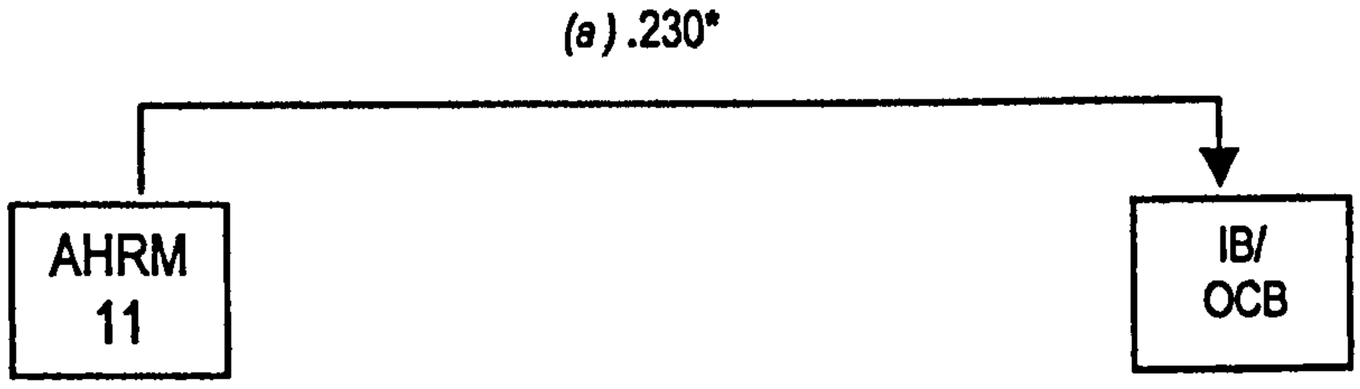


Figure 8.5 Example of partial mediation - second and third step of the analysis

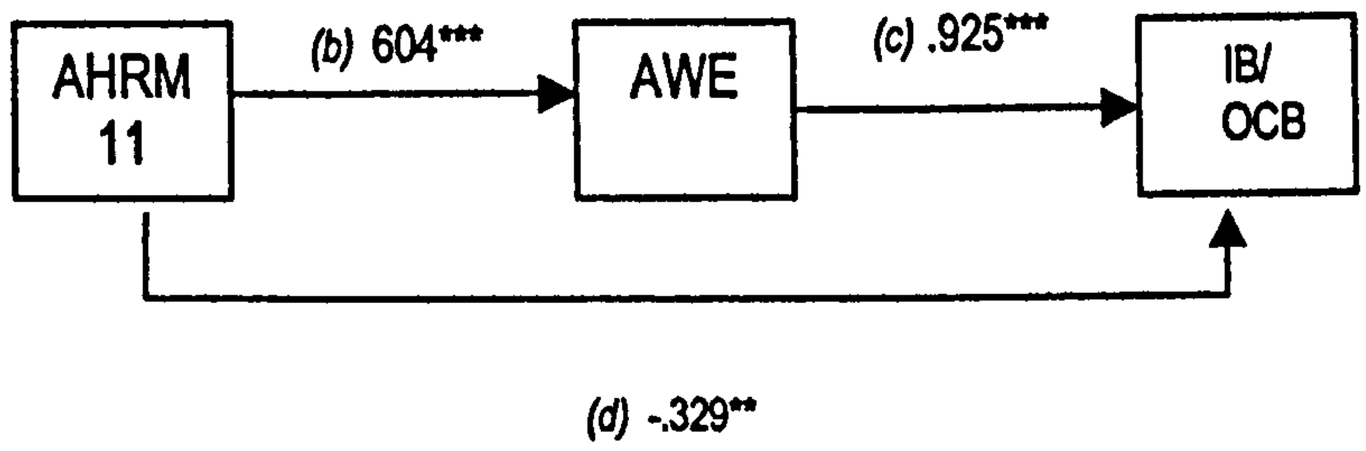


Figure 8.4 displays the direct link between AHRM11 and IB/OCB (.230*); while figure 8.5 illustrates the two links which together form the indirect link when controlling for AWE, here equal to .558 (again formed by multiplying the *(b)* and *(c)* coefficients). In this case the direct link *(d)* between AHRM11 and the IB/OCB variable retains significance but has become negative.

Repeating this process for each of the six outcome variables leads to table 8.7 which summarises the effect of AHRM11 on each outcome broken down by *direct*, *indirect* and *total* effects.

Table 8.7 – Direct and indirect effects of AHRM11 on aggregate employee attitudes and behaviour

	(a) Direct effect without controlling for AWE	(b) Direct effect controlling for AWE	(c) Indirect effect	(d) Total effect	Mediation type
Job Satisfaction	.472***	NS	.587	.587	Full
Organisational Commitment	.586***	NS	.539	539	Full
Trust in Management	.591***	NS	.422	.422	Full
Intention to Stay	.383**	NS	.280	.280	Full
In-Role Performance	.365**	-.245**	.602	.357	Partial
IB/OCB	.230*	-.329**	.558	.229	Partial

*** .001, ** .01, * .05, NS = *not significant*

The figures in columns *(a)* (the direct effect of AHRM11) and *(b)* (the direct effect when controlling for AWE) are the standardised beta coefficients taken from tables 8.4 and 8.6. Column *(c)* (the indirect effect) comes from multiplying the effect of AHRM11 on AWE (taken from table 8.5) by the effect of AWE on each attitudinal and behavioural variable (taken from table 8.6). Column *(d)* shows the total effects, calculated by summing the values in column *(b)* with those in column *(c)*.

Hence we can see that the direct effect of AHRM11 is completely mediated by AWE for four of the six outcomes and that there is partial mediation with the other two. Since these aggregate level results substantiate those at individual level, the concept of a key role being played by employee workplace experiences in the relationship between HR practices as a whole and employee related outcomes gains further strength.

The results also suggest that examining which HR practices and work experiences affect the dependent variables most significantly would be as valuable at aggregate level as it had been at individual level. However, despite several attempts, when the relevant regressions were run it soon became apparent that the level of intercolinearity between some of the independent variables was too high for the

model to be tested at this level. As an alternative to testing the model using the set of eleven individual HR practices, therefore the three HR factors of *Integration*, *Rewards*, *Training and Development* (detailed in section 8.4 above), alongside with the two ungrouped HR practices, *Systematic Selection Procedures* and *Job Control* were used in the aggregate analysis instead. The first HR factor, as noted above, comprised *Information sharing*, *Performance feedback* and *Socialisation*; the second *Employee rewards*, *Benefits*, *Internal promotion* and *Employment security* and the third *Training* and *Development plans.*

Table 8.8 shows the direct impact of these three HR factor clusters and of the two remaining ungrouped individual HR practices (i.e. *Systematic Selection Procedures* and *Job Control*) on each outcome.

Table 8.8 - Direct impact of the HRM factors/practices on employee attitudes and behaviour at aggregate level

	Job Satis	OC	Trust	Stay	In-Role	IB/ OCB
F1 - Integration	.297*	.246	.124	.009	.346*	-.029
F2 - Rewards	.457***	.502***	.539***	.284*	.234	.210
F3 - Training & Development	-.099	.023	.096	-.080	-.001	.244
Syst. Selection Procedures	.080	.148	-.008	.500***	.074	-.057
Job Control	-.045	-.012	.211	.047	-.192	-.029
Total R Square	***.313****	***.409*****	***.450*****	***.320*****	***.191****	***.119***
Adjusted R Square	***.247*****	***.352*****	***.397*****	***.255*****	***.113****	***.035***
(N)	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

As can be seen, *Rewards,* the factor combining practices that recognise positive employee behaviour, has the highest number of links, exhibiting significant positive associations with four of the six outcomes: Job Satisfaction, Organisational Commitment, Trust in Management and Intention to Stay. *Integration,* on the other hand, has a significant positive effect on two outcomes (Job Satisfaction and In-role performance), while *Systematic Selection Procedures* on just one (Intention to Stay). However, *Training and Development* and *Job Control* are not significantly associated with any of the outcomes.

The results of the corresponding analysis at individual level are shown in Table 8.9 below.

Table 8.9 - Direct impact of the HRM factors/practices on employee attitudes and behaviour at individual level

	Job Satis	OC	Trust	Stay	In-Role	IB/ OCB
F1 - Integration	.112***	.087*	.111***	.018	.084*	-.010
F2 - Rewards	.178***	.220***	.250***	.102***	.108***	.150***
F3 - Training & Development	-.003	.016	.028	-.098**	.030	.116***
Syst. Selection Procedures	-.012	.015	-.010	.096***	-.021	-.030
Job Control	.045	.032	.059*	.016	.006	.042
Total R Square	***.065****	***.092****	***.117****	***.030****	***.031****	***.049****
Adjusted R Square	***.063****	***.079****	***.115****	***.027****	***.028****	***.046****
(N)	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 -- Coefficients in the table are standardised beta coefficients

As can be seen, the results follow a similar pattern with *Rewards* once again exhibiting the greatest number of positive associations, here with all six outcomes, followed by *Integration* with four. Once more *Systematic Selection Procedures* has a significant positive impact only on Intention to Stay and neither *Training and Development* nor *Job Control* have any effect on any of the outcomes. In this context it is also worth noting the other results in tables 8.8 and 8.9 for, while they are not statistically significant, in most cases they run in the same direction in both analyses, thereby adding further support to the idea that the two sets of results, at individual and aggregate level, are consistent.

In the next step of the analysis, designed to test for the mediating effect of the work experiences, the impact of the five HR factors/practices on AWE was evaluated, as shown in table 8.10. This represents the first component of the indirect relationship between the HR practices and the outcomes at aggregate level (second step of the analysis procedure).

Table 8.10 – Impact of the HR factors/practices on the overall AWE variable at aggregate level

	AWE
F1 - Integration	.283*
F2 - Rewards	.410***
F3 - Training & Development	.091
Syst. Selection Procedures	.078
Job Control	.063
Total R Square	***.386****
Adjusted R Square	***.327****
(N)	***(58)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

Comparing these results with those at individual level, shown in table 8.11 below, provides several points of interest. The *Integration* and *Rewards* HR factors exhibited strong positive associations with the overall Work Experience variable in both cases, while *Job Control* also correlated positively and significantly but only at the individual level. The *Training and Development* factor and the use of *Systematic Selection Procedures* were not significantly associated with the overall employee work experience variable at either individual or aggregate level. By and large, therefore, it would appear that the aggregate level results reproduce at the individual level also, with a number of the HR practices under consideration having a significant positive impact on employees' overall work experiences at both the aggregate and individual level of analysis.

Table 8.11 – Impact of the HR factors/practices on overall WE variable at individual level

	WE
F1 - Integration	.124***
F2 - Reward	.241***
F3 - Training & Development	.042
Syst. Selection Procedures	.008
Job Control	.103***
Total R Square	***.141****
Adjusted R Square	***.138****
(N)	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

As in previous occasions, the last step of the analysis involved examining the extent to which the overall work experiences variable affected each of the outcomes, as well as the extent to which the HR factors/practices affected the outcomes controlling for the overall work experiences variable. To do this, the overall work experiences variable and the five HR factors/practices were regressed together on each of the employee related outcomes. The aggregate level results are shown in Table 8.12, while the results for the individual level of analysis are shown in Table 8.13.

Table 8.12 – Impact of the overall AWE variable and of the HR factors/practices on employee attitudes and behaviour at aggregate level

	Job Satis	OC	Trust	Stay	In-Role	IB/ OCB
AWE	.938***	.866***	.663***	.478***	.992***	940***
R Square Change AWE	***.816*****	***.848*****	***.643*****	***.277*****	***.742*****	***.528***
F1 - Integration	.031	.001	-.064	-.126	.058	-.295*
F2 - Reward	.072	.147*	.267**	.088	-.182*	-.176
F3 - Training & Development	-.185**	-.057	.036	-.124	-.093	.158
Syst. Selection Procedures	.007	.081	-.060	.463***	-.005	-.130
Job Control	-.104	-.066	.169	.017	-.256***	-.088
R Square Change HR factors/practices	***.039****	***.022***	***.077****	***.183****	***.082*****	***.133****
Total R Square	***.853****	***.870***	***.720****	***.460****	***.824*****	***.661****
Adjusted R Square	***.836****	***.855***	***.687****	***.397****	***.803*****	***.621****
(N)	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***	***(58)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

Table 8.13 – Impact of the overall WE variable and of the HR factors/practices on employee attitudes and behaviour at individual level

	Job Satis	OC	Trust	Stay	In-Role	IB/ OCB
WE	.793***	.768***	.728***	.525***	.746***	.500***
R Square Change WE	***.603*****	***.586*****	***.567*****	***.232*****	***.496*****	***.255*****
F1 - Integration	.013	-.009	.021	-.047	-.008	-.072*
F2 - Reward	-.013	.035*	.074***	-.024	-.071***	.030
F3 - Training & Development	-.037	-.017	-.003	-.120***	-.002	.095***
Syst. Selection Procedures	-.006	.022	-.004	.100***	-.015	-.026
Job Control	-.036	-.047*	-.016	-.039	-.071***	-.009
R Square Change HR factors/practices	***.003****	***.003****	***.005*****	***.035*****	***.013*****	***.009*****
Total R Square	***.606****	***.589****	***.572*****	***.267*****	***.509*****	***.264*****
Adjusted R Square	***.604****	***.586****	***.571*****	***.264*****	***.508*****	***.261*****
(N)	***(1737)***	***(1737***	***(1737)***	***(1737)***	***(1737)***	***(1737)***

*** .001, ** .01, * .05 – Coefficients in the table are standardised beta coefficients

A number of key points emerge from these two tables. First, as can be seen, at aggregate level as at individual level, the overall work experience variable (AWE in Table 8.12 and WE in Table 8.13) is significantly positively related to all the outcomes.

Second, at aggregate level, the mediating effect of the overall AWE variable between the HR factors/practices and the outcomes was as marked as that between the overall AHRM11 variable and the outcomes discussed previously (*see* table 8.6). Specifically, once the AWE variable was controlled for in the analysis, the direct associations between the *Rewards* factor and Job Satisfaction and Intention to Stay lost significance while those with Organisational Commitment and Trust in Management remained significant but at a reduced level. The links between the *Integration* factor and Job Satisfaction and In-Role Performance also were no longer significant, while the single link between *Systematic Selection Procedures* and Intention to Stay remained significant but was weaker.

Finally, as can be seen from table 8.13, the comparable results at individual level are similar. Here too, for example, the previously significant links between the *Rewards* and *Integration* factors and the various outcomes either lose significance or their level is reduced, while *Systematic Selection Procedures* retains its sole significant but weaker positive link to Intention to stay.

Table 8.14, which follows, brings together all the results from tables 8.10 and 8.12, summarising the direct, indirect and total effects of the various HR factors and practices on each of the outcomes at aggregate level.

Table 8.14 Summary table – Aggregate level

HR practices/factors	Section a	Section b			Section d			Section e			Section g			Section f			Section h		
	Effect on AWE	Job Satisfaction			OC			Trust			Stay			In-Role			Innovative/OCB		
		Direct controlled effect	Indirect effect	Total effect	Direct controlled effect	Indirect effect	Total effect	Direct controlled effect	Indirect effect	Total effect	Direct controlled effect	Indirect effect	Total effect	Direct controlled effect	Indirect effect	Total effect	Direct controlled effect	Indirect effect	Total effect
F1 Integration	.283*		.265	.265		.245	.245		.187	.187		.135	.135		.280	.280	-.295*	.266	-.029
F2 Rewards	.410***		.384	.384	.147*	.355	.502	.267**	.271	.538		.196	.196	-.182*	.406	.224		.385	.385
F3 Training & Dev.		-.185**		-.185															
Syst. Selection											.463***		.463						
Job Control														-.256***		-.256			
AHRM11	.604***		.587	.587		.539	.539		.422	.422		.280	.280	-.245***	.602	.357	-.329***	.558	.229

** .001, ** .01, * .05; Blank = not significant – Coefficients in the table are standardised beta coefficients

Section a of Table 8.14 shows the impact of the HR factors and practices, including the overall aggregate level HR11 index (AHRM11), on the overall aggregate level work experience variable (i.e. AWE). There are two points of note: first, the overall AHRM11 index, as well as two of the three factors, have a significant effect on AWE, but neither of the single practices has a significant impact. And second, at the aggregate level as at the individual level of analysis, all the effects of the HR factors and practices on Work Experiences are positive.

Sections b to *g* of the Table show the direct controlled effect, the indirect effect and the total effect of the various HR factors/practices, as well as of the overall AHRM11 index, on each outcome.

The first column in each of these sections quantifies the direct impact of each HR factor/practice on the relevant outcomes after controlling for the intervening AWE factor in the analysis. As can be seen, with all six dependent variables most controlled direct effects are no longer significant. For instance, *Rewards* retains a significant positive impact only on Organisational Commitment (.147*) and Trust in Management (.267**) while that on In-Role Performance (-.182*) becomes negative. The overall AHRM11 index shows a significant impact on In-Role Performance (-.245***) and IB/OCB (-.329***), in both cases negative.

The second column in the section, the indirect effect, quantifies the impact that each HR factor/practice has on the outcomes in question through the overall AWE variable (step 3 of the analysis procedure). For example, the indirect effect of *Integration* (.265) on Job Satisfaction is calculated by multiplying its impact on AWE (.283*, in table 8.10) by the impact of AWE on Job Satisfaction (.938***, in table 8.12). A further example is the indirect effect of *Rewards* on Intention to Stay (.196), which comes from multiplying the impact of *Rewards* (.410***) on AWE by the impact of AWE on Intention to Stay (.478***).

The third column shows the total effect of each HR factor/practice on each outcome, calculated simply by adding the indirect effect and the controlled direct effect. For

example, the total effect of *Rewards* on Organisational Commitment, .502, comes from the sum of the indirect effect (.355) and the direct controlled effect (.147*). In the case of *Integration* on Trust in Management the direct controlled effect is not significant therefore the total effect remains the same as the indirect effect, i.e. .187. A further example is the total effect of *Integration* on IB/OCB, -.029, the sum of .266 (indirect effect) and -.295* (direct controlled effect). Here one of the two elements is positive and the other negative and the two therefore act against each other. Hence the positive influence of the practice when taken through AWE is reversed by the negative impact of the practice on its own. All total effects are calculated as outlined above.

At this point it is useful to summarise the results and give some comments, in the same way as for the individual level results presented in Chapter 7.

First, not all the HR factors/practices have an indirect effect on the outcomes. Although *Integration* and *Rewards* show strong indirect relationships with all six outcomes – and it should be remembered that these two factors represent seven of the eleven HR practices under examination – neither the *Training and Development* factor nor the two individual practices have any indirect impact.

Second, all indirect effects are positive, as is the impact of both *Rewards* and *Integration* on AWE and the impact of AWE on the six outcomes.

Third, controlling for AWE considerably reduces the number of significant relationships between the HR factors/practices and the outcomes, thereby indicating that, at aggregate level, as at the individual level, work experiences are an important factor mediating the relationship between HR practices and employee outcomes. This point is reinforced by the results obtained for the overall AHRM11 index which, as we have seen, shows that in all cases the impact of the aggregate HR variable on the outcomes is either fully or partially mediated by the aggregate work experiences variable.

Finally, it is worth noting that the total effects of the HR factors/practices on the outcomes are in general positive and strong. The only exceptions in this respect are the effects of *Training and Development* on Job Satisfaction, of *Job Control* on In-Role Performance and of *Integration* on IB/OCB. It should be remembered, though, that in the first two cases there is no indirect impact so the total effect comes solely from the direct impact of the HR factor/practice. It is also important to note that where there are negative direct effects, as in the cases of *Integration* and *Rewards* on IB/OCB, the positive indirect effects are strong enough to reverse the negative direct effect or at least to reduce them significantly.

Unlike for the individual level results, it was not possible to rank the HR factors/practices from the most strongly positive to the most strongly negative for each outcome at aggregate level, due to small number of predictors involved. Therefore in table 8.15 below we simply show the two HR factors/practices having the largest positive and negative effects on each outcome.

Table 8.15 – HR factors/practices that have the strongest positive and negative effects on the outcomes at aggregate level

		Job Satisfaction	Organisational Commitment	Trust in Management	Intention to Stay	In-Role Performance	IB/OCB
Pos	1	*Rewards*	*Rewards*	*Rewards*	*Rewards*	*Integration*	*Rewards*
	2	*Integration*	*Integration*	*Integration*	*Integration*	*Rewards*	*Integration*
Neg	1	*Training & Development*				*Job Control*	

As can be seen, there is complete consistency in the most positive HR factors/practices: *Rewards* and *Integration* have the greatest influence throughout. The negative effects are instead sporadic and inconsistent.

8.7 Major points emerging from the aggregate level analysis

The aggregate level results demonstrate the importance of expanding the focus of research on HR practices and employee related outcomes to embrace the influence of intervening variables such as work experiences (Becker and Gerhart, 1996; Guest, 2001; Guest et al, 2002; Harris and Ogbonna, 2001).

The major findings of the aggregate level analysis will be discussed and elaborated further in the next chapter, together with those emerging from the individual level analysis. Here I just limit myself to summarising the main points emerging from the analysis so far:

- There is a high level of consistency in the overall effects of the HR factors/practices.
- The AHRM11 variable impacts positively and significantly on all six outcomes when examined through the mediating effect of Work Experiences. This supports the proposition that HR practices have a significant effect on employees' perceptions of their working conditions and environment, which in turn have a significant effect on their attitudes and behaviour.
- The effect of the HR factors/practices can be fully or partially mediated by Work Experiences.
- The direct controlled impact of the HR factors/practices may be positive or negative but, if negative, the effect tends to be cancelled out or heavily reduced by the positive indirect effect of the HR factor/practice through the work experience variable.
- The two HR factors of *Integration* and *Rewards* produce consistently positive effects on the set of outcomes. They exhibit positive relationship with all six outcomes which are fully or partially mediated by employee work experiences.
- Despite all the above, some of the negative direct associations between the HR factors/practices and the attitudinal/behavioural outcomes are counter-intuitive and difficult to understand or explain.

8.8 Chapter summary

The aim of this chapter was to examine the results of the aggregate level analysis. We first explained the analysis procedure and the specific variables used and then presented the major findings in detail, where possible comparing them with parallel findings obtained at the individual level of analysis. We finished by discussing the principal results that emerged from the analysis.

The implications of these findings, together with those at the individual level which preceded them, are discussed in the following concluding chapter.

CHAPTER 9

CONCLUSIONS

9.1 Introduction

Having presented the results of testing our basic research model for the mediating effect of work experiences in the relationship between HR practices and a number of attitudinal and behavioural employee outcomes, we now discuss the findings in depth in the light of the three main assumptions underlying the model (see Chapter 4).

We first briefly review the main characteristics of our sample in order to facilitate the interpretation of the findings. We next discuss the results relating to the direct impact of the HR practices on the outcomes, our first assumption being that such effects do exist. The central part of the chapter is then dedicated to a consideration of the mediating role of work experiences, the area of our other two assumptions. We start by examining the degree to which the findings substantiate the two indirect links in our model, those between the HR practices and the work experiences and between the work experiences and the outcomes. This is followed by an in-depth discussion of all the mediation effects found. Comparisons between the aggregate- and individual-level results are given, and reference is made to related results from other studies.

We then move on to discuss the contribution this study makes to the existing pool of research on HR practices, highlighting relevant methodological issues and limitations. We also outline some policy implications deriving from the findings.

We conclude by suggesting some directions for future research.

9.2 Review of the sample

As described fully in Chapters 5 and 6, the research involved twelve Italian organisations varying greatly in terms of their size and the sectors in which they operated. They also differed significantly in the range of HR practices in place and how broadly these were applied to the workforce. Further variation emerged in terms of employees' perceptions of the work experiences in the various organisations, as well as in terms of core employee attitudes and behaviour across the twelve workplaces.

Each company, in accordance with instructions supplied to them as part of the participation in the Great Place to Work survey, selected which employees were to be surveyed. This was either the entire workforce or a statistically representative sample of it, depending on the size of the organisation. Employees' involvement was voluntary, yet the response rates from each company were in most cases high, often exceeding 70%. The final sample consisted of 1,747 employees.

Statistical analysis of the data was carried out firstly at individual level and then at aggregate level, this latter based on the average results from each of five key occupational groups represented in each of the twelve organisations (totalling 58 groups).

9.3 Overall performance of the model

In line with our major objective, that of testing the mediating effect of work experiences in the relationship between HR practices and employee related outcomes, we developed a model, detailed in Chapter 4, which incorporated the three components of the relationship we had hypothesised. We selected a series of HR practices that had been suggested and shown, in various studies on high-commitment and high-performance HRM systems, to have a significant influence on company performance and employee outcomes (Appelbaum et al, 2002; Guest, 1999; Huselid, 1995). We then identified a number of work experiences and job characteristics which previous research (Peccei, 2004) had revealed as likely to be affected by these HR practices and also likely to have an influence on employee related outcomes.

Finally, we identified a number of employee attitudes and behaviours that were of interest to employees and their organisations and which had already been discussed in various other studies (Appelbaum et al., 2000; Godard, 2001; Guest, 2002). The design was such as to permit a like-with-like comparison of the individual-level and aggregate-level results.

In general, the results of the analysis confirmed the validity of the proposed model.

The first assumption underlying the model, that HR practices have a direct impact on employee attitudes and behaviour, was strongly supported by the findings. In particular, the results relating to the overall HR variable at both aggregate (AHRM11) and individual (HRM11) levels showed that significant positive associations existed with all six attitudinal and behavioural outcomes (*see* tables 7.2 and 8.4). There was, however, considerable variation in the level of impact of the different HR practices.

At aggregate level, the analysis focused on three composite HR factors (*Integration, Rewards* and *Training and Development)* and two individual practices (*Systematic Selection Procedures* and *Job Control).* At this level of analysis the associations between the HR factors/practices were mostly positive. However, the *Rewards* and *Integration* factors displayed a much higher number of links with the outcomes than did the others HR factors/practices examined. *Systematic Selection Procedures,* in fact, was found to be positively associated only with Intention to Stay, while the remaining two HR variables were not found to be significantly associated with any of the six outcomes (*see* table 8.8).

At the individual level, where each of the eleven HR practices was examined separately, there was even greater disparity in their impact. Two practices, *Internal Promotion* and *Employee Rewards*, exhibited a high number of positive associations with the outcomes. Some practices, however, had just one or two significant links, while others correlated negatively and two, *Socialisation* and *Performance Appraisal,* had no apparent influence on any of the outcomes (*see* table 7.6).

Comparable results from earlier studies are mixed and even at times conflicting (Peccei, 2004), showing considerable variation in terms of the outcomes that are reported to be affected by the HR practices. For example, Appelbaum et al. (2000) found that *Internal Promotion* had a positive influence on employees' Organisational Commitment and Job Satisfaction, but not on their Trust in Management. *Information Sharing* in the Appelbaum study had an effect only on Trust in Management, which contrasts with our study which found it to impact solely on Job Satisfaction (.177*). Then again, Appelbaum and her colleagues (2000) found the adoption of *Formal Training* to be linked with Trust in Management but not with Job Satisfaction nor Organisational Commitment. A further example is the work of Guest (2002) who found a positive impact on Job Satisfaction from *Information Sharing* and *Challenging and Interesting Job,* but no influence from *Training* or from *Development* related practices. Additionally, Gardner et al. (2000) found no impact on Job Satisfaction and Organisational Commitment from skills-related practices such as *Selection Procedures* and *Training*, nor by motivation enhancing practices, such as *Performance Feedback, Pay-for-Performance* and *Promotion Programmes.*

Such results demonstrate that the effects of individual HR practices are more complex than might be assumed: it is initially not easy to see why, alongside the anticipated positive effects, there are those which are negative or have no influence at all. There are, though, several reasons which could account for such superficially unintuitive findings. For instance, the practices may have been poorly implemented (Purcell et al. 2003) or, more probably, significantly influenced by structural variables which the researchers had not taken into account (Peccei, 2004). Appelbaum (2002) has postulated a further potential source of contradictory effects. HR practices, she states, are adopted in order to meet the requirements of management, without much thought for the needs of workers, and it is entirely possible, therefore, that workers' needs, having not been considered, are simply not being met.

Despite the inconsistencies in these results, on balance the evidence leads to the conclusion that, overall, HR practices do have an influence on workers. Of particular interest here is our finding that the HR practices used to recognise positive employee

behaviour, most notably *Employee Rewards* and *Internal Promotion*, are those generally exhibiting the more positive effects, and this holds true at both aggregate and individual levels.

Of greater importance, we feel, is the fact that previous studies have not provided systematic analysis of the specific mechanisms through which HR practices function. It was this on which our study pivoted, our supposition being that there is a mediating effect created by work experiences. The resultant following assumption in the model, that mediation involves two distinct contributions, one from the effect of HR practices on work experiences, the second from the effect of work experiences on employee attitudes and behaviour, was again fully validated by the results (see Chapters 7, 8).

Specifically, our findings in terms of the second of these two components add to the already widely substantiated evidence for the existence of a link between employee perceptions of their work environment and the development of positive attitudes and behaviour, this having formed the core of much Organisational Behaviour research over the past twenty or thirty years. In particular, we found that all six of the outcomes we considered had strong positive links with the five work experiences examined when grouped together, at both aggregate and individual levels of analysis (*see* Tables 7.4 and 8.6). Moreover, at the individual level, similar strong positive relationships were found between most of the individual work experiences and the range of outcomes examined. Specifically, Job Complexity was found to have significant links with all six outcomes, Perceived Management Support and Job Security each had five significant positive links, and Perceived Rewards Equity and Job Discretion each had four (see Table 7.9). Surprisingly, Job Complexity was negatively associated with Trust in Management. This demonstrates that it is quite possible for some work experiences, which are assumed to be beneficial, instead to have a potentially detrimental effect on specific attitudes and/or behaviours.

In terms of the first component of our explanatory model, namely the influence of the HR practices on employee work experiences, we again found strong positive links, at

both aggregate and individual levels, between the HR practices when taken as a whole and the set of five work experiences also when taken as a whole. Furthermore, when the HR practices were factor analysed at the aggregate level, the three emerging HR clusters and the two non-grouped practices were also found to be strongly positively linked with the overall set of work experiences (see Tables 7.3 and 8.5).

Since the size of the aggregate level sample did not allow us to analyse the effect of each HR practice on each work experience separately, these more detailed analyses were carried out at the individual level only. It was found that the effects involved varied considerably, both in terms of their extent and direction. Every practice correlated with at least one work experience, but not always positively. *Internal Promotion* and *Employee Rewards* had the broadest positive impact, with four and three significant associations respectively, suggesting that HR practices do not have an even or consistent impact on employee work experiences, but rather that the impact occurs through a number of prominent "pathways" (*see* table 7.8).

Having established that our model's individual components were both valid, and reviewed the evidence in support first of the link between the work experiences and the employee outcomes and then the link between the HR practices and the work experiences, it is now possible to turn to the findings relating to the core part of our study. This concerns the role played by the work experiences in mediating the relationship between HR practices and the employee attitudinal and behavioural outcomes. As before, we start by reviewing the findings relating to the overall mediating effects at both aggregate and individual levels and then move on to look at the mediation findings in relation to individual HR practices and work experiences.

When considering the HR practices as a whole (i.e at the overall HR index), full or partial mediation was found with all six outcomes at both aggregate and individual levels. Mediation was complete in the cases of Job Satisfaction, Organisational Commitment and Intention to Stay at both levels, and with Trust in Management at aggregate level only. Partial mediation occurred with In-Role Performance and

IB/OCB at both levels and with Trust in Management at the individual level only (see Table 7.5 and 8.7).

All these indirect effects were positive, as were the total effects. This demonstrated the existence of a "positive chain of influence", deriving from the positive effects of HR on work experiences plus the positive effects of work experiences on employee attitudes and behaviour. In the cases of In-Role Performance and IB/OCB the chain was such as to overturn a negative direct effect that the HR practices were found to have on these two outcomes.

The vital role of work experiences in mediating the relationship between HR practices and employee related outcomes was also seen at aggregate level when the HR practices were grouped into three factors and two single practices. A mediating effect of the overall work experience variable (AWE) was found only with the *Integration* and *Rewards* HR factors but this was nonetheless of considerable weight as these two factors represented seven of the eleven practices under examination. More specifically, the AWE variable was found to fully mediate the relationship between *Integration* and Job Satisfaction, Organisational Commitment, Trust in Management, Intention to Stay and In-Role Performance, and that between *Rewards* and Job Satisfaction, Intention to Stay and Innovative/OCB behaviour. Partial mediation occurred between the *Integration* factor and IB/OCB, and between *Rewards* and Organisational Commitment, Trust in Management and In-Role Performance. The indirect effects were again all positive (see summary table 9.1 below).

Table 9.1 Mediation effects of the overall AWE variable at aggregate level

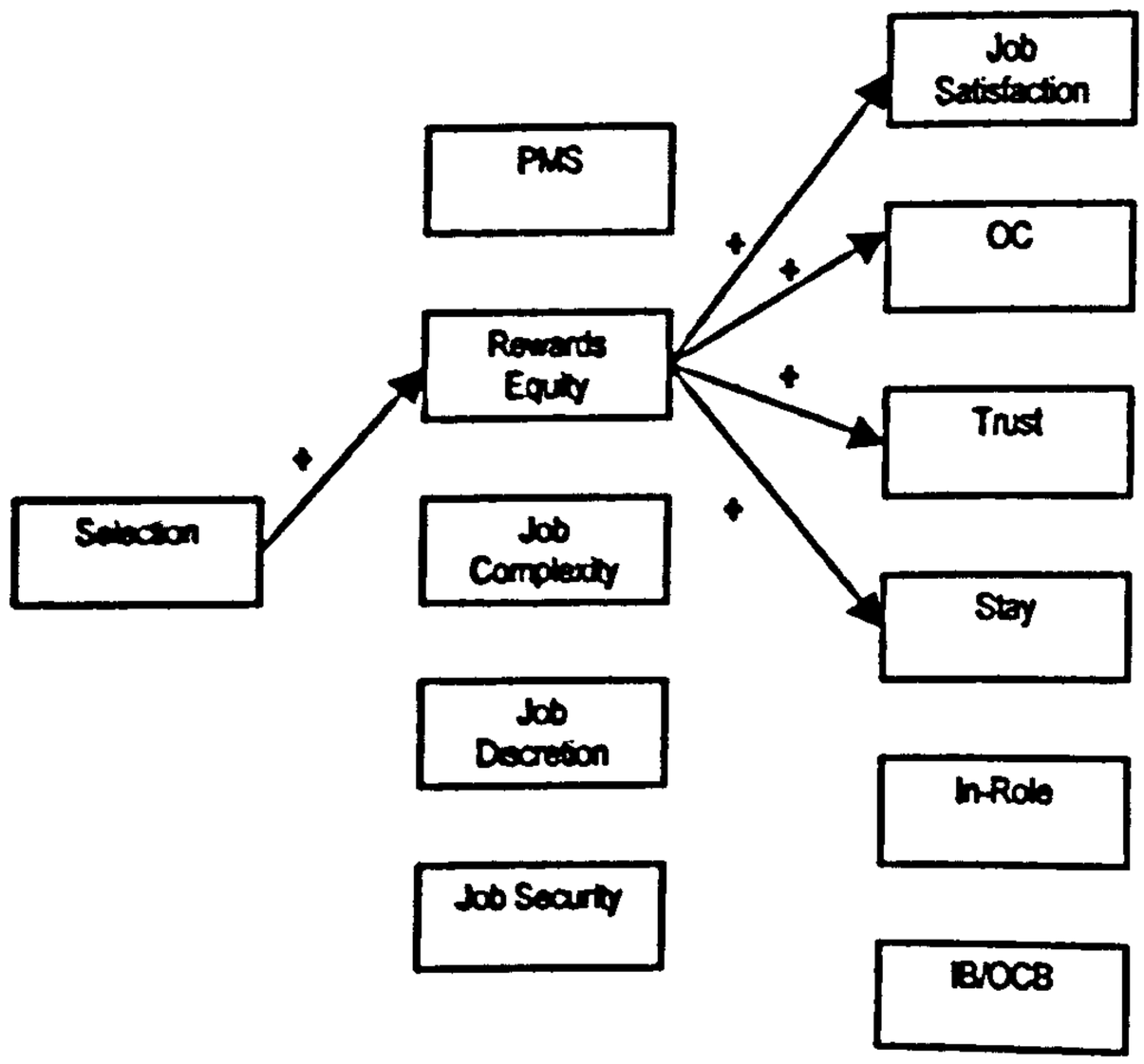
	Job Satis	OC	Trust	Stay	In-Role	IB/ OCB
F1 - Integration	full	full	full	full	full	partial
F2 - Rewards	full	partial	partial	full	partial	full
F3 - Training & development	no	no	no	no	no	no
Syst. Selection Procedures	no	no	no	no	no	no
Job Control	no	no	no	no	no	no

Thus, the basic premise of the research, that work experiences have an important role in the route between HR practices and employee attitudes and behaviour, was substantiated. But we wanted to go further and identify the main "pathways" through which the individual HR practices had an effect on the employee outcomes. The sample size was sufficient for this at the individual level of analysis only, even though working at aggregate level might have been considered preferable. However, since the aggregate-level and the individual-level findings for the HR practices when taken together and in factor groups had corresponded so closely, it seems reasonable to assume that the individual level results help to shed some light on the main pathways though which the various HR practices are likely to affect the outcomes of interest. The following subsections discuss the findings relating to the prominent paths between the HR practices and the outcomes for each practice in turn.

9.3.1 Systematic Selection Procedures

Systematic Selection Procedures was defined as the adoption by an organisation of a number of selective tests and procedures aimed at identifying the most suitable candidates to satisfy its human resource needs.

The practice had a positive indirect effect on all three of the attitudinal outcomes, Job Satisfaction, Organisational Commitment and Trust in Management, and on one behavioural outcome, Intention to Stay. Perceived Rewards Equity mediated positively in all four cases, as illustrated below.



This indicates that employees are more likely to feel that management is fair and impartial when they enter the company through a well-structured, well-defined recruitment and selection procedure. The use of challenging processes to appoint staff helps convince employees that the organisation makes its decisions even-handedly and that its primary interest is the quality of its personnel. Moreover, since *Systematic Selection Procedures* usually involve fulfilling various requirements and carrying out a number of tasks, they demonstrate that an organisation is willing to invest time and money to find the best employer-employee fit.

Such procedures additionally provide transparency, as all candidates undertake similar tasks and results are usually recorded and can be produced in case of appeal. Consequently, those who are chosen and who in turn chose to join the organisation have an increased likelihood of perceiving the company, and its management, as equitable.

One example of a distinctive selection procedure is that of KPMG. Selection takes place in several stages and includes interviews and presentations which allow candidates to meet not just their prospective line managers and members of the HR department (the usual situation) but also employees working in other areas who can talk about their personal experiences in the company. This direct contact with KPMG employees gives candidates a taste of what working for KPMG entails and enables them to gain a deeper understanding of their prospective working conditions as well as the organisation's expectations. As KPMG's HR manager explained, the process is aimed at allowing candidates to make a fully conscious choice and represents an effort at establishing a clear psychological contract from both parties from the outset.

In turn, the role of a sense of equity and justice among employees in enhancing their attitudes and behaviour has been noted in many studies. Empirical work conducted over many years by researchers including Meyer and Allen (1997), Konovsky et al. (1987), and Folger and Konovsky (1989) has repeatedly demonstrated that perceptions of managerial equity and fairness have a positive influence on

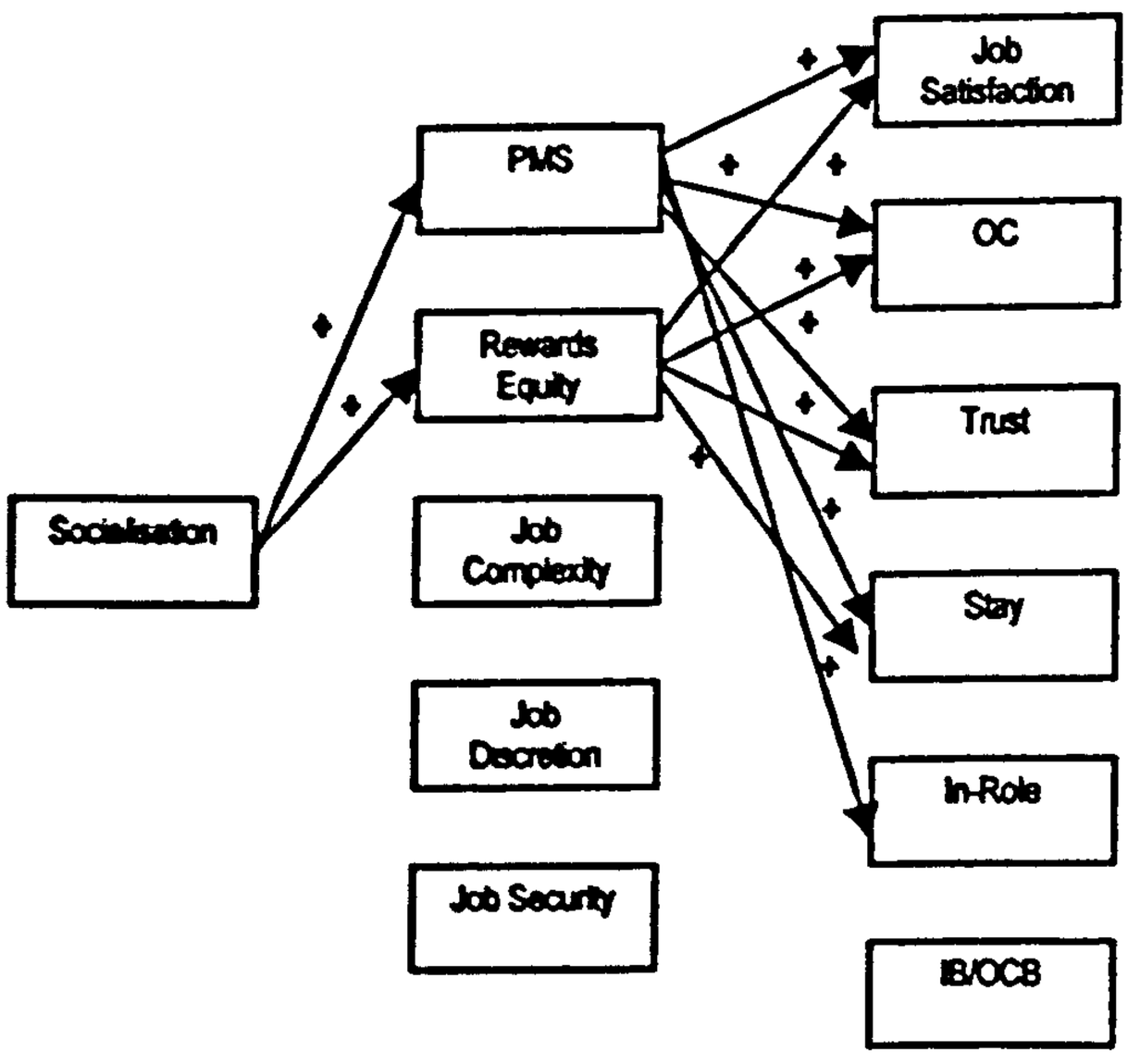
employees' commitment to their organisation, their satisfaction in their jobs and their trust in management. Our findings add to this body of evidence.

There is also empirical evidence from earlier Organisation Behaviour research of a direct positive link between *Systematic Selection Procedures* and the four outcomes for which we found an indirect effect (Meyer and Smith, 2000; Meyer et al. 2002). The practice was not, though, among those analysed in any of the principal HRM related micro/functional studies, preventing any further comparison of results with the HRM literature proper.

9.3.2 Socialisation

Socialisation was specified as a formal, structured induction program to help newcomers to a company and employees moving to a new position in it, understand its policies, procedures and practices.

The practice had a positive indirect impact on all but one (IB/OCB) of the six outcomes considered, the intervening positive influences coming from Perceived Management Support and Perceived Rewards Equity. This is illustrated below.



It appears, therefore, that induction programmes enhance employees' perceptions of being part of a fair, supportive organisation. Such programmes ensure newcomers gain a good welcome and are provided with the information they might require on, for example, the company's areas of business, its structure, its strategies and policies; and day-to-day basics of working life, such as arrangements for meals, leave requests and so on. Underlying all this, though, is the message that the organisation wants to make newcomers feel at home, and therefore cares for its personnel. The result is that employees are likely to gain a sense of supportiveness, of being fully informed and fully part of the company.

It should be noted that socialisation procedures usually involve more than one department in an organisation: in many cases it is the HR department that handles the overall organisation of the process, laying down general policies and controlling the clarity and consistency of the information given, while the implementation is devolved to line managers, who provide the first line of support to all new employees, and/or staff managers, called upon to illustrate their unit's or department's activities.

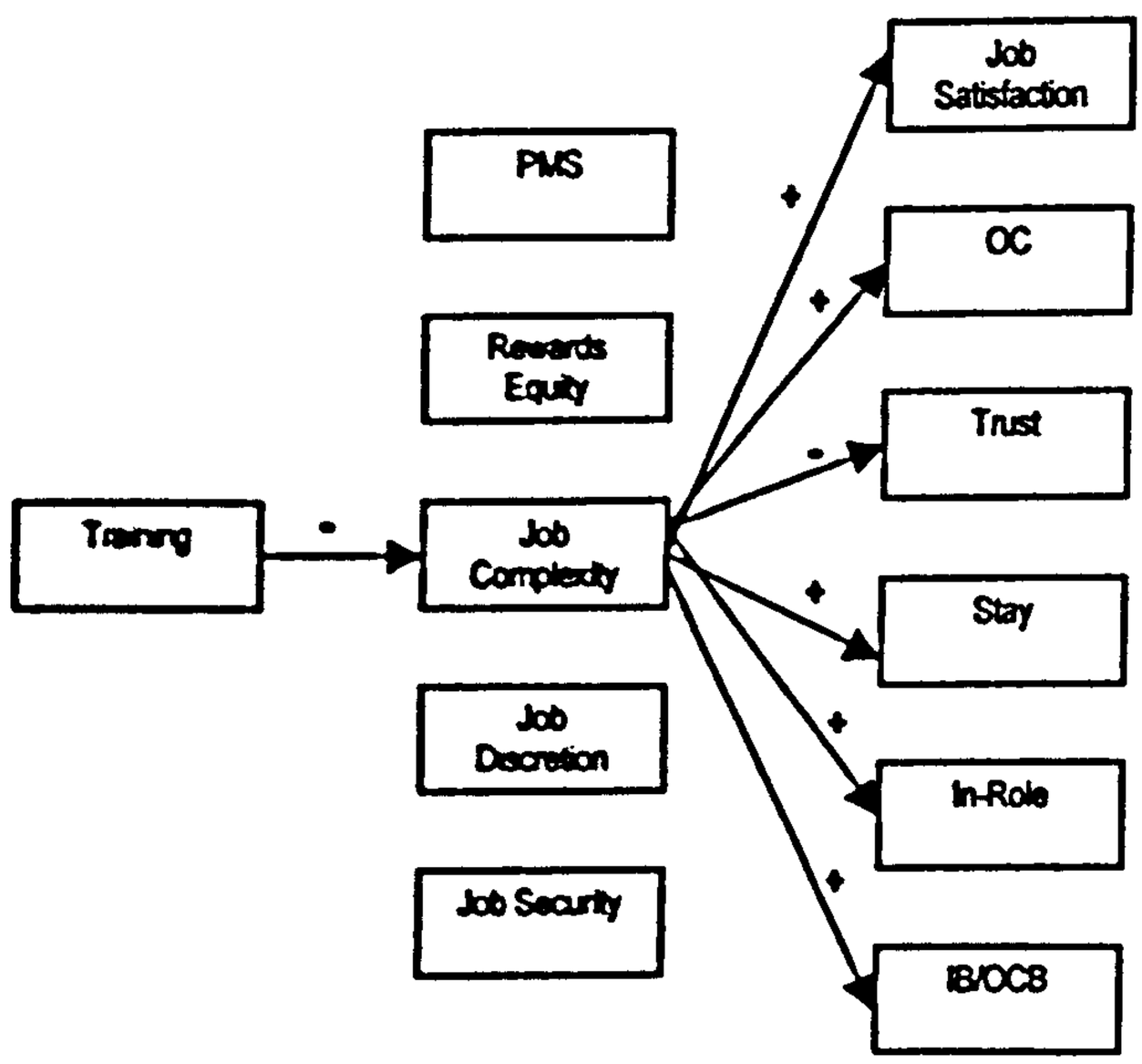
One example is that of STMicroelectronics which arranges a "Newcomers' Seminar" in the first three months of an employee's tenure, during which various departmental and divisional managers give information on their activities. These seminars are aimed at assisting the integration of newcomers; at providing them with an overall vision of the organisation in terms of its structures, processes and products; and at instilling company values. The presentations are recorded onto a CD which participants can keep for future consultation. In Balfour Beatty *Socialisation* is instead more directed towards newcomers' fulfilment of their roles. New employees or those moving to a new position have the on-the-job support of a tutor for a period of time which depends on their position. After this period the tutor gives his/her judgement to the HR department and the direct supervisor on the employee's integration and abilities via a pre-prepared form and may suggest further training or development plans.

We have already remarked on the positive influence of perceptions of equity in general on employee related outcomes. There is additionally much empirical work showing a positive link between perceptions of management as supportive and caring and the development of positive attitudes in the areas of job satisfaction, organisational commitment and trust (DeCotiis and Summers, 1987; Mathieu and Zajac, 1990; Mottaz, 1988) Our research contributes the additional findings that such perceptions are also associated with positive employee work-related behaviour, most notably with In-Role Performance, which can be of great benefit to an organisation.

9.3.3 Training

Training was defined as learning opportunities which an organisation provides to improve employees' performance and increase their skills and knowledge.

We found that the *Training* variable had a negative indirect link with almost all the outcomes examined, the one exception being Trust in management. The pathway here was the negative effect of *Training* on Job Complexity, as shown in the diagram below.



Employee perceptions of Job Complexity were measured using two items, the cognitive complexity of tasks and assignments, i.e. the degree of problem-solving ability required, and the range of tasks to be handled. We found that training acts on the former and reduces employees' perceptions of the difficulty of their duties but it was surprising to discover that this in turn works to reduce their positive disposition towards their organisation, especially since training is generally believed to be a means of increasing motivation and organisational attachment.

An explanation may be found in the nature of the training provided. For instance, training for technicians and blue collar workers is often focused on the use of specific tools or on updates/developments to techniques already being used. This leads to employees being channelled towards more specific, narrower-ranging tasks, which may be perceived as less stimulating. One example of this comes from Kimberly Clark where training in general covers both technical skills and "soft" skills, but training in the mills is concentrated on technical subjects, and only white collar workers are given the opportunity of joining the self-effectiveness training courses developed by the UK Corporate Training department.

A further explanation is the converse, that training courses cover issues that are not relevant enough to the tasks employees have to handle and/or which are excessively complex. Therefore, when they return to their jobs they are unable to apply much of what they have learnt, with the inevitable negative impact on their perceptions of their activities. This is a common situation in many organisations, especially with courses for specialists and professionals.

The conclusion is that the nature and content of learning programmes need further consideration. Pfeffer (1998) was of a similar opinion and asserted that training which is inadequate or too tightly focused on specialist skills can produce negative results.

There is an additional factor regarding *Training* which is peculiar to Italy and is rooted in the nature of the Italian work culture and how the practice is regarded in everyday Italian working life (Capucci, 2005; Caltabiano, 2005). Both managers and

employees often consider it a waste of time, something that makes unnecessary additional inroads into their already overcrowded diaries. Hence managers are often reluctant to let their staff participate in training activities, and employees are even less enthusiastic to go, as they know they will have a backlog of work to handle when they return to the office. As a result, *Training* may be seen as more of a threat than an opportunity. According to Sisson and Storey (2000), this attitude is quite widespread and is to be found also in many organisations in the UK, in which Training is regarded as a peripheral and low-level non-strategic activity not fully integrated into everyday practice. The authors point out that managers themselves rarely complain about this, but rather are far more likely to be complicit in the process. In fact, supervisor and line managers claiming that "business" is what really counts, often declare themselves and their staff as "too busy" to be trained and resist attempts to take any of their staff away from normal duties. This also bring us back to some of the previous considerations since, ironically, when training does begrudgingly take place, because it has been pared down and timed to cause minimal disruption, the resulting experience is often unsatisfactory, as trainees will consider that the training has come too late or that it insufficiently targets their specific needs.

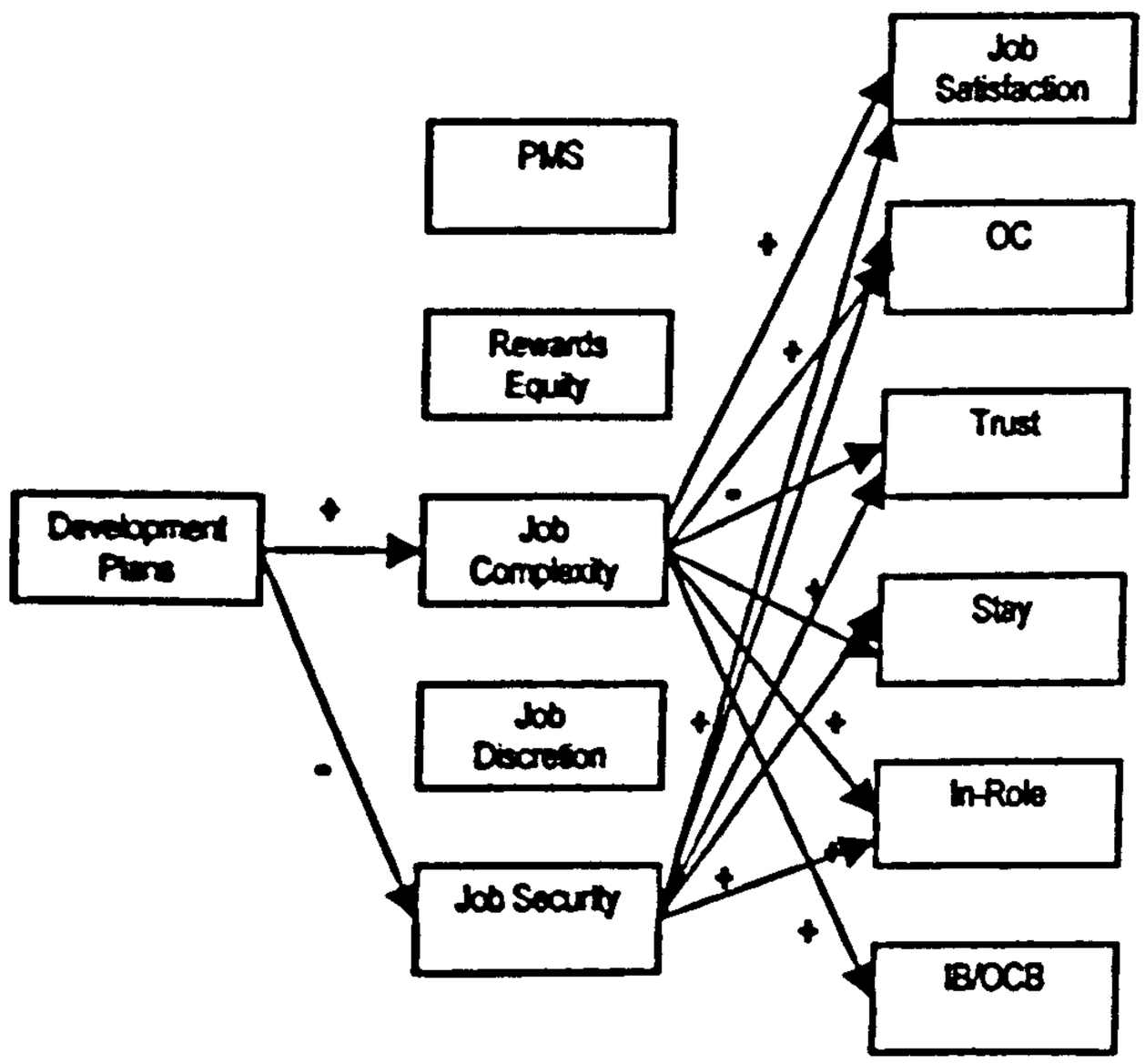
Previous work looking at the direct relationships between training and employee attitudes and behaviour has also found that the effects involved are negative or not significant. For example, Guest (2002) concluded that *Training and Development* was not a significant predictor of satisfaction of any type, neither work-related nor home-related. Similarly, Appelbaum and her colleagues (2000) found no relationship between formal training and organisational commitment or satisfaction, but reported a negative link between informal training and organisational commitment.

It would seem, therefore, that although *Training* is widely considered to be an essential component of high-performance work systems, the evidence of its benefits to core employee attitudes and important behaviours, such as In-Role Performance and Innovative behaviour, is not conclusive.

9.3.4 Development Plans

Development Plans relate to the extent to which career paths are made available to employees.

The practice exhibited indirect links with all six outcomes but, unexpectedly, not all were positive. The positive links were with Job Satisfaction, Organisational Commitment, In-Role Performance and IB/OCB; surprisingly the negative associations were with Intention to Stay and Trust in Management. The intermediate mediation was through the positive influence of the practice on Job Complexity and its negative influence on Job Security. This is illustrated below.



Job Complexity, as already stated, measures employee perceptions of dealing with difficult, demanding and varied tasks. Reasons for the positive effect of *Development Plans* on Job Complexity can be found in the nature of the practice itself, representing, as it does, a significant investment by an organisation in all those employees to whom the practice is extended. It demonstrates a company's real desire to work systematically towards providing employees with greater knowledge and skills, to assist them in this and to help them develop their careers. It is therefore

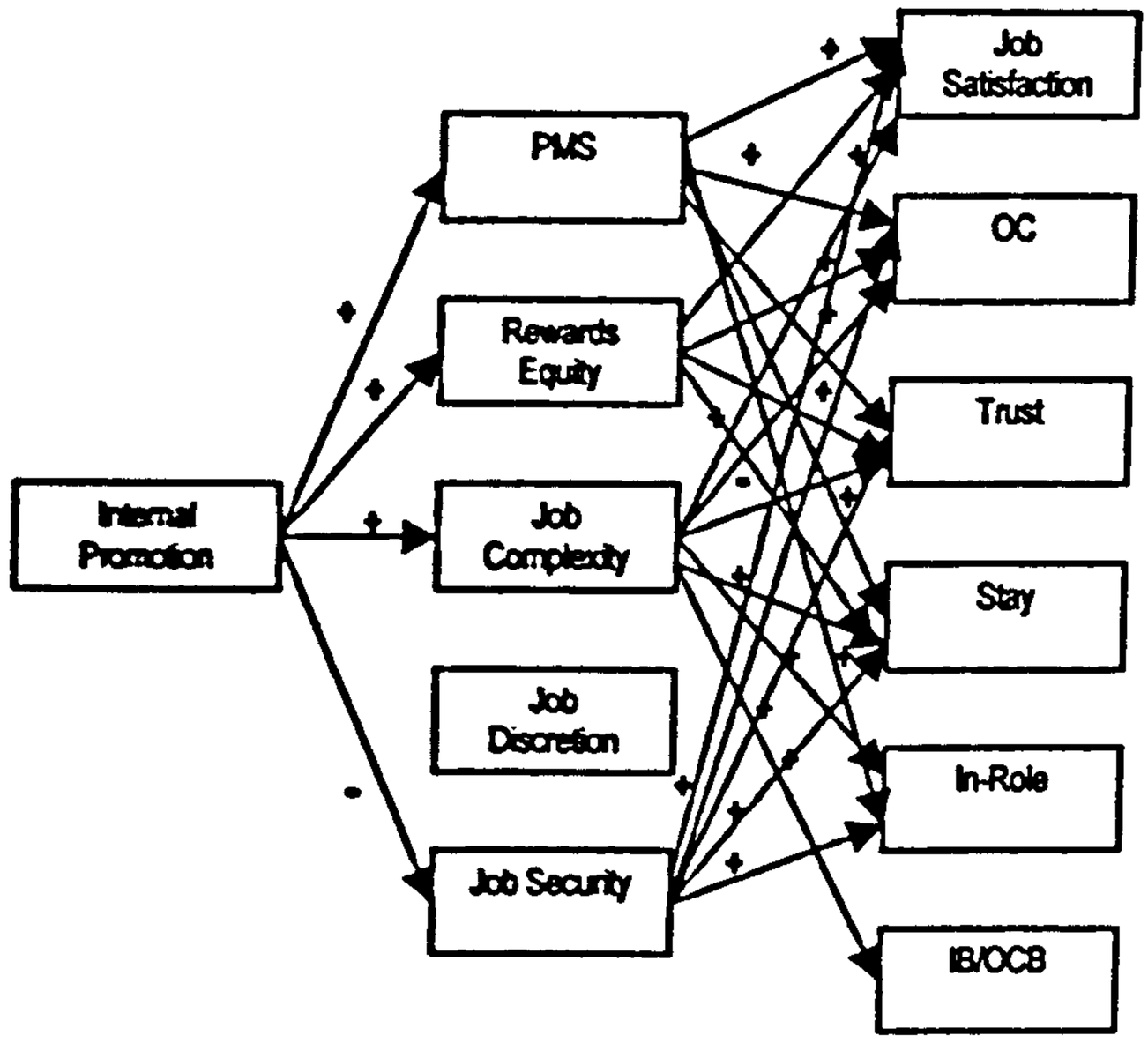
understandable that an awareness among employees that their company is committing itself in this way would improve their opinion of their job assignments, give them a more positive disposition towards the organisation and increase their propensity to positive behaviour.

When it comes to the less intuitive negative influence of *Development Plans* on Job Security the explanation may be found in an employee's belief that if an organisation invests a lot in its workforce it will have high expectations in return. Employees may therefore feel themselves to be under strong pressure to conform to these expectations, with consequent fears that inadequate performance could lead to their being made redundant. Additionally, in many organisations career plans are only developed for a small minority of the workforce, those nominated "the talent pool" or "key employees", and this may make the rest feel less secure in their jobs. In Boehringer Ingelheim, for instance, career development opportunities derive from regular employee-supervisor consultations linked in with an HR planning process. The basis of these arrangements is the conviction that development is a partnership between the company, the supervisor and the employee. Therefore discussions take the form of an open dialogue in which development objectives are constructively charted and reviewed, while the HR planning process ensures that the organisation can continuously offer development perspectives to the employees who are willing and capable of professional advancement. As this example demonstrates, much of the responsibility in the development process can be down to employees for whom it can therefore easily be seen as a source of pressure.

9.3.5 Internal Promotion

Internal Promotion refers to the use of the internal labour pool by an organisation when it has a position to fill rather than taking on an external candidate.

The practice had a positive direct impact on all six outcomes, with mediation coming through four work experiences, Perceived Management Support, Perceived Rewards Equity, Job Complexity and Job Security. This is shown diagrammatically below.



Internal Promotion, along with *Employee Rewards*, showed the most consistent indirect effects across the range of outcomes, mainly through its positive impact on Perceived Rewards Equity and Perceived Management Support. The practice of promoting internally is generally believed to increase internal competition: pinpointing a certain number of personnel can set employees against each other and impact forcefully on their feelings of stress and pressure. Nevertheless, our findings show that the practice inspires a widespread belief that an organisation is egalitarian and fair-minded, and its managers impartial, conditions which, in turn, bring positive effects on attitudes and behaviour, most notably on Job Satisfaction, Organisational Commitment and Trust in Management. There is supporting evidence for this from many studies (Meyer and Allen, 1997; Eisenberger et al. 1990; Creed and Miles, 1996; Appelbaum et al., 2000; Guest, 2002). It seems, then, that even though managerial choices may be subject to criticism – the merits and weakness of internal candidates will be well known by their colleagues – the high level of transparency apparently alleviates the pressures, reassuring staff that opportunities for advancement are available to all and that promotion will go to the person who most deserves it.

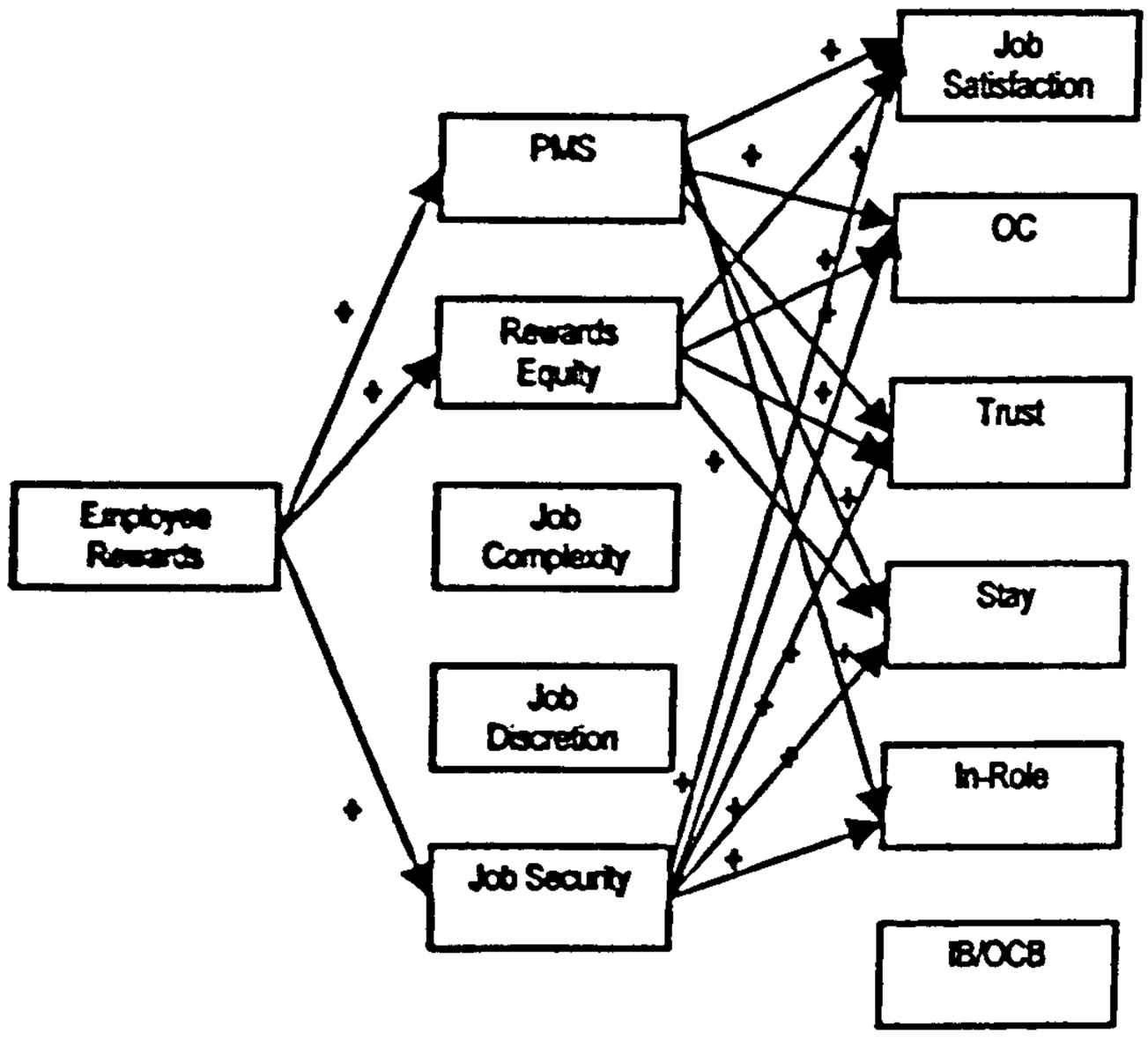
The perception of support from management also does much to bolster the positive effect of an internal promotions policy. Our research showed that *Internal Promotion* increases the feeling among employees that the organisation, most notably its management, sincerely cares about them: its willingness to cover vacancies primarily from within gives a sign that it recognises their potential. Employees thus feel encouraged and supported in developing their abilities and skills further, and once this idea becomes well established, a positive influence on their attitudes and behaviour develops. One example is STMicroelectronics where internal mobility is openly voiced as the best way to improve employees' attitudes and expand their understanding of the organisation. The organisation therefore attempts to fill all vacancies from within, encouraging staff mobility within and between departments, across sites and even across countries.

There is, though, a less rosy side to *Internal Promotion*: its negative impact on Job Security. This probably derives, in a similar way to *Development Plans*, from employee concerns that they may be more likely to lose their job if they do not conform to their company's expectations of them.

9.3.6 Employee Rewards

Employee Rewards was defined as the formulation and implementation of policies to reward people fairly, equitably and consistently, in line with their value to their organisation

The practice gave very similar results to those for *Internal Promotions*: there were positive indirect associations with all outcomes except IB/OCB, the route being positive links with three work experiences, Perceived Management Support, Perceived Rewards Equity and Job Security. This is shown diagrammatically below.



It can therefore be seen that one of the ways in which *Employee Rewards* results in an improvement in employee attitudes and behaviour is by leading employees to perceive their managers as more egalitarian. Rewarding employees for their achievements leads to the belief that everyone has the chance to gain particular recognition and everyone gains fair recompense for the work they do. This then enables those gaining the rewards to feel at peace with themselves and, more importantly, their colleagues.

Another way the practice operates is through its strong positive association with Perceived Management Support. This implies that if an organisation has a formal system for recognising its employees' work, people feel that their contribution is judged conscientiously and that managers will not hesitate to show real appreciation for good work and extra effort. Technogym, for example, demonstrates its appreciation of its employees in several forms. It provides financial bonuses and other monetary recognition; it has celebrations for individuals or groups which have achieved particularly difficult targets, or it thanks them publicly; it also regularly

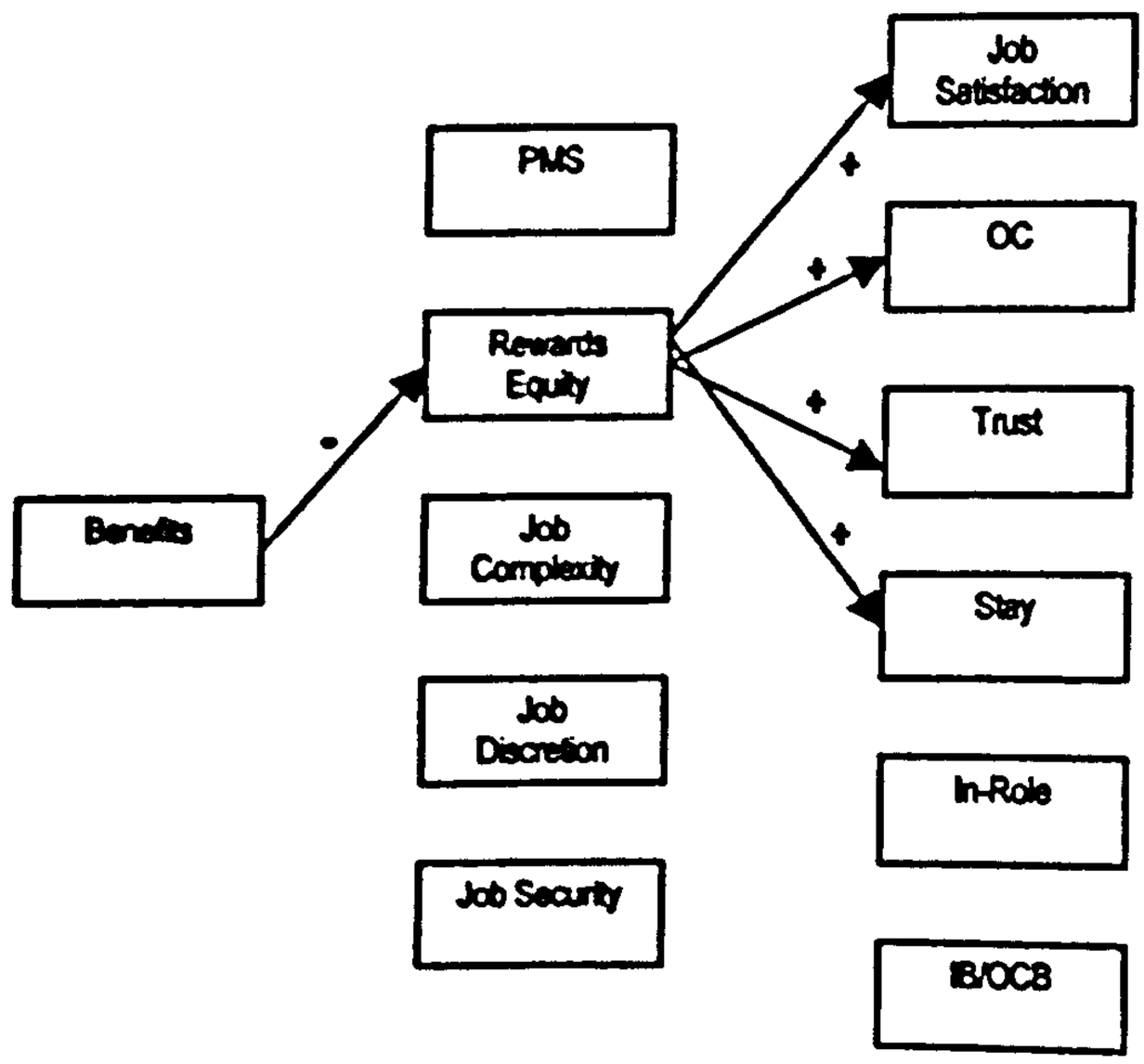
assigns special awards. A further example is Kimberly Clark, which also gives recognition through lump sum payments and other awards, most frequently gifts or letters signed by the President which are presented at the company's annual convention.

The practice of *Employee Rewards* also enhances employee perceptions that their job in the organisation is secure. This is the sole area in which *Employee Rewards* differs from *Internal Promotions*. The negative indirect impact of the latter comes through increased employee concerns about their job stability, which the adoption of a fair reward system does not provoke. One possible explanation is that *Employee Rewards* is fundamentally concerned with ensuring that people feel they are valued and in doing so it fosters employee perceptions that their organisation counts on them and is therefore less likely to make them redundant.

9.3.7 Benefits

Benefits was defined as the extent to which an organisation provides employees with types of remuneration other than money.

Contrary to expectations, the practice exhibited a negative indirect relationship with all three attitudinal outcomes and with one behavioural outcome, Intention to Stay. The route was through its negative effect on Perceived Rewards Equity.



This negative influence may derive from the particular nature of Italian company benefit policies, which usually codify which employee groups receive which benefits. Thus certain benefits, e.g. mobile phone, company car, health insurance (exactly those asked about in the questionnaire) are often received automatically by certain occupational groups and this may well be written into job contracts.

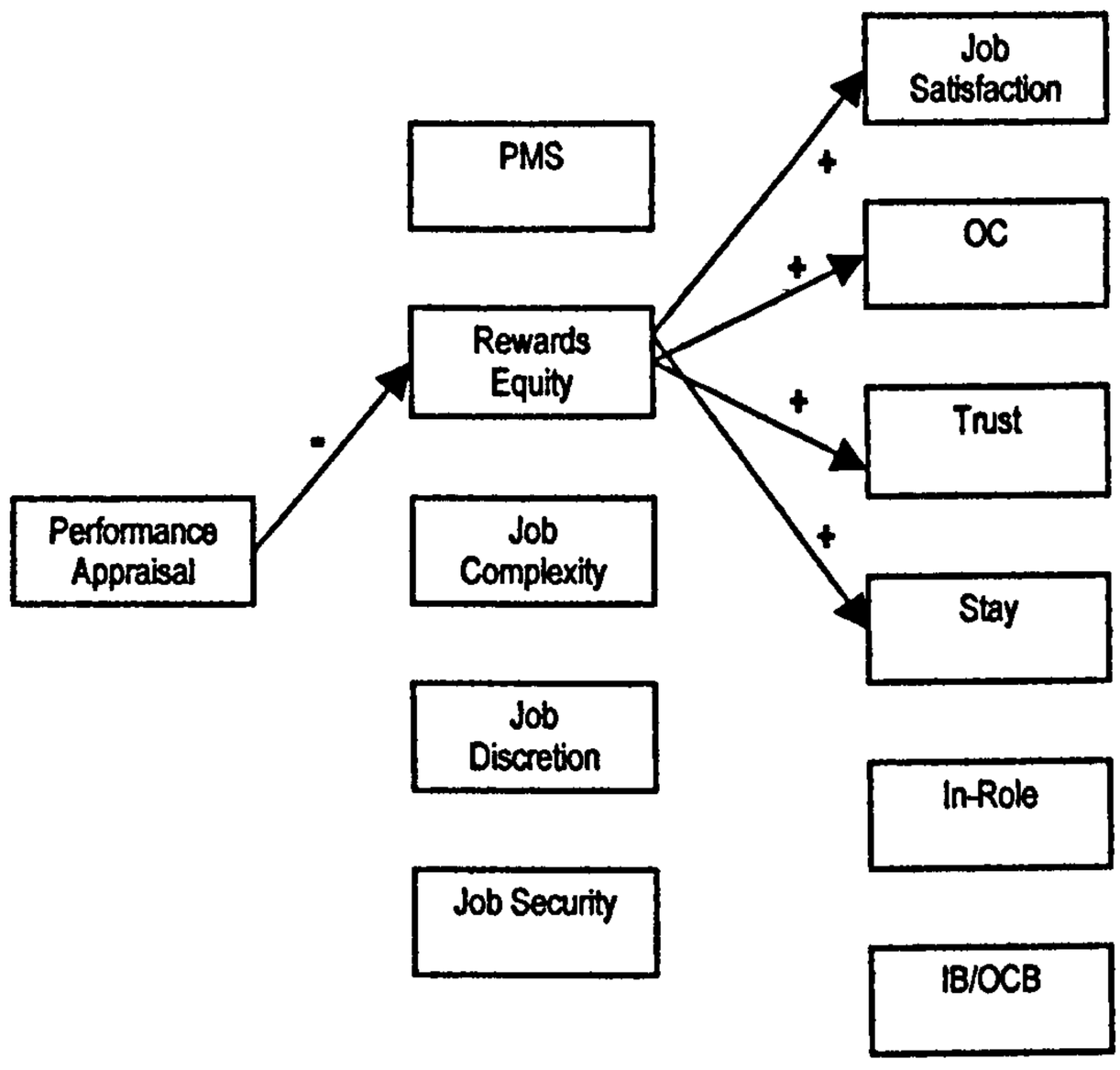
As the assignment of the benefit is linked to position and not to individual performance, it is reasonable that employees perceive such benefits as bearing no relationship to criteria of equity: good performers and bad performers at the same level will receive the same benefits. The practice also restricts the freedom of managers to use their skills to make judgements and, as we have now shown, leads to a negative influence on important employee related outcomes.

Some companies, though, have introduced benefits which are directly related to their business. TicketOne, which develops and manages ticketing software, offers discounted tickets for major concerts and sporting events. The pharmaceutical concern Boehringer Ingelheim offers female employees an annual cervical smear test and mammogram. All employees can also have skin tests and ultrasound treatments in the company infirmary. Technogym, which produces fitness equipment, has a Corporate Wellness scheme which offers free check ups, nutrition advice and fitness plans to all employees who would like them.

9.3.8 Performance Appraisal

Performance Appraisal refers to the adoption of formal procedures to supply staff with feedback on their performance.

This HR practice also exhibited a negative indirect relationship with the three attitudinal outcomes and the behavioural outcome of Intention to Stay, again via a negative link with Perceived Rewards Equity.



Providing employees with regular, constructive feedback on performance is generally seen as giving them the opportunity to have an open discussion with their direct supervisor about their performance, their conformity to expectations and their main strengths and weaknesses. The degree of implementation varied in our sample. Kimberly Clark, for example, provides only year-end formal appraisals and only to white collar workers, while in KPMG the system covers all staff and is far more extensive, spanning a three-stage process. There is ongoing feedback from the project manager, a mid-year review and a year-end review at which objectives for the forthcoming year are decided jointly by the employee and the company and compensation levels are set. Gore, which places a strong emphasis on teamwork, has developed a 360° appraisal methodology. Every employee is evaluated by the other members in his/her team, by other teams, and by his/her managers and supervisors. At the end of the process a "Contribution Committee" draws together the assessments into a final ranking scheme and discusses the development opportunities for each employee. This system, as the Gore HR manager commented, enables more aspects of performance to be taken into consideration and involves all employees in the process.

It is therefore initially surprising that the practice reduces, rather than increases, perceptions of management equity and fairness in rewards policy. However, recent experience gained during consultancy work (in winter 2005/2006, during a Great Place to Work Institute Italia series of seminars on evaluation processes and practices, involving 15 companies from those judged to be among the 35 Best Italian Workplaces in 2005) leads me to suggest that there may be several reasons why this is the case, at least in Italy. Firstly, *Performance Appraisal* is often perceived as a bureaucratic process, a formal procedure to fulfil, with little or no conviction from either party, especially the supervisor. Confirmation of this negative attitude towards carrying out and conducting performance appraisals come from several studies that demonstrate that it is ranked as the "most disliked managerial activity" (Carrol and Schneier, 1982), mainly because managers dislike the bureaucracy involved considering the system generally too complicated and time-consuming.

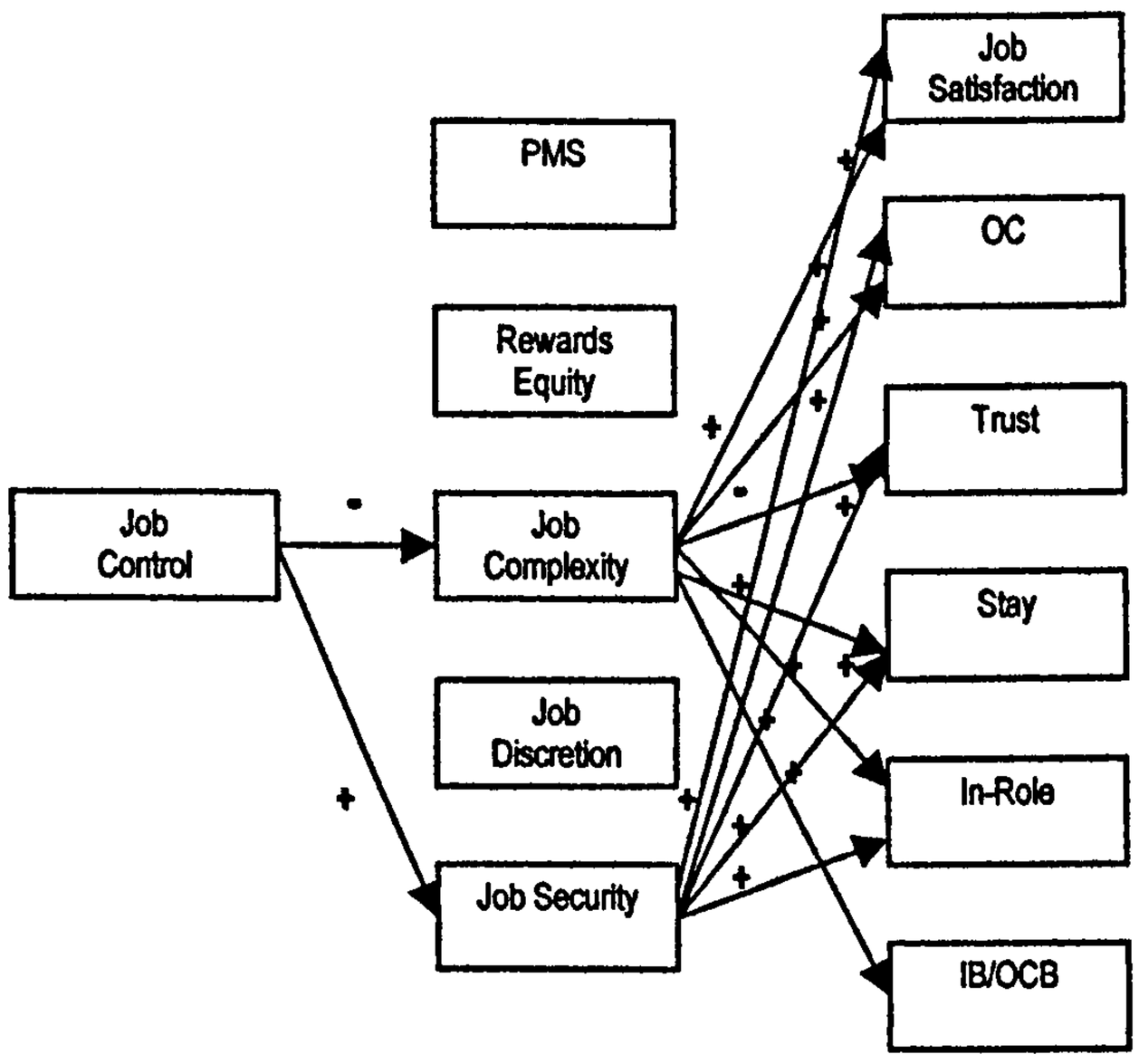
Then again, as this is usually a one-to-one process, Italian managers are frequently reluctant to provide negative feedback, usually because they are unable to manage the employee's possible reactions. Yet these managers are also quite uncomfortable with highly positive assessments, as they are similarly unprepared to manage the expectations that result. Therefore, they tend to flatten out the evaluations, providing best performers and bad performers with appraisals that differ only slightly. In the light of such behaviour it is hardly surprising that managerial feedback may be considered unreliable and inequitable.

Results from the survey conducted by Hutchinson and Purcell (2003) reveal that another common complaint is that performance appraisals are considered subjective, particularly when competency or behavioural measurements are used, making the system vulnerable to inconsistent treatment by managers. Or also, that sometimes managers play organisational games with performance ratings, for example inflating ratings in the hope that good appraisals will reflect favourably on themselves.

It should also be noted that in previous studies, where only the direct impact of *Performance Appraisal* on employee related outcomes was analysed (Guest, 2002; Gardner et al., 2000), its effect on employee attitudes was not significant.

9.3.9 Job Control

Job Control was defined as the adoption of job or work structures that allow greater involvement to skilled, motivated employees in determining what work is to be done and how. As shown in the diagram below, its indirect impact was mixed with the mediating effects being through a negative link with Job Complexity and a positive link with Job Security.


PMS
Rewards Equity
Job Control
Job Complexity
Job Discretion
Job Security
Job Satisfaction
OC
Trust
Stay
In-Role
IB/OCB
-
+
+
+

own judgment, select and develop procedures, and decide on the resources they need to realise them.

Examining the influence on workers of practices enhancing their participation opportunities has been a crucial aspect of many recent studies (Appelbaum et al., 2000; Guest, 2002; Legge, 1998; Peccei, 2004; Ramsay et al., 2000). The assumption was that these practices would lead to greater work intensity which would thereby increase stresses and pressures on employees. Our study showed that the effects on employees of *Job Control* were more complex and depended considerably on their work experiences.

One conclusion from our analysis was that giving personnel greater control over their jobs leads them to feel that they are less likely to be made redundant, since organisations which provide such involvement are felt to have greater regard for them and therefore be more likely to attempt redeployment, for instance, than lay-offs (Pfeffer, 1998).

More difficult to explain and to some extent counter-intuitive is the negative relationship between Job Control and Job Complexity. It could be that management is generally reluctant to hand over what it sees as its prerogative and tends to delegate control only, or mainly, to employees engaged in relatively standardised or simple jobs. It might also be that managers do indeed delegate to more skilled employees but that these have high expectations for job control and job variety so are difficult to satisfy and will consider any level of responsibility vested in them to be insufficient.

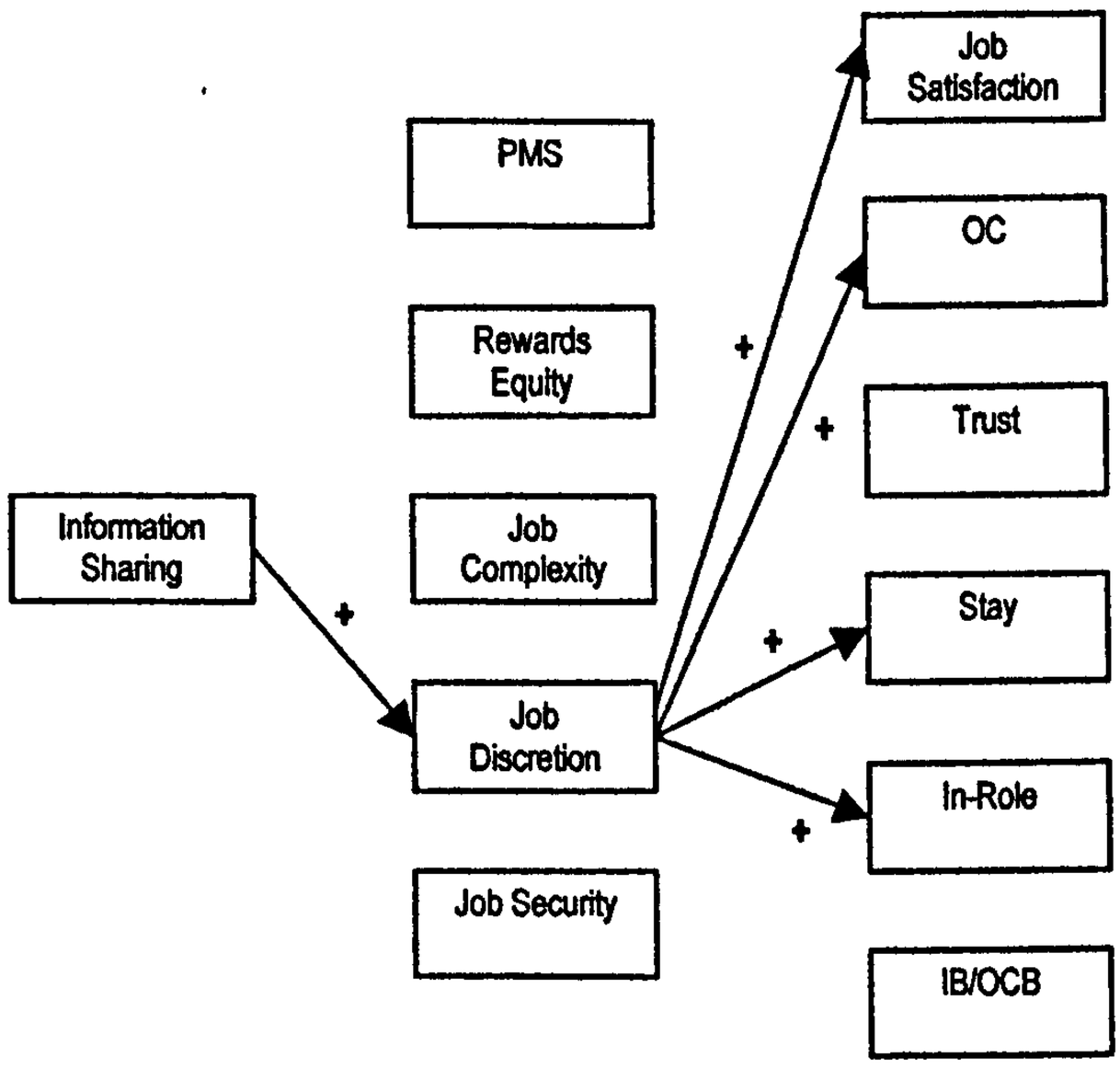
Taking these various points together it would seem that although the indirect effects of *Job Control* are mixed they are not necessarily contradictory. They are also consistent with previous studies (Appelbaum, 2002; Gardner et al., 2000) in that they show that the practice has a positive, or only slightly negative, impact on all outcomes which involve an affective reaction, i.e. Job Satisfaction, Organisational Commitment, Trust in Management and Intention to Stay. This is where the positive

mediating influence of Job Security is of relevance. The negative mediating influence of Job Complexity instead prevails on productivity and performance outcomes.

9.3.10 Information Sharing

Information Sharing was defined as the adoption of an organised set of internal corporate communications practices.

The practice was found to be a significant predictor of Job Satisfaction, Organisational Commitment, Intention to Stay and In-Role Performance. The mechanism was positive mediation through Job Discretion, as shown below.



Specifically, *Information Sharing* is positively associated with employee perceptions of greater job autonomy. The practice is considered an essential component of high-performance work systems as it communicates to employees that they are pivotal to their organisation and play a significant part in enhancing its performance. Even highly motivated, well-trained employees will not contribute fully to their organisation's success if they are not supplied with sufficient relevant information. It is therefore reasonable that access to the main details of a company's strategic, financial and structural situation would lead an employee to sense his/her span of action as being broader. Indeed, when employees understand the basic principles of

their company's business and know what is going on they are more likely to put their knowledge and brainpower into improving its performance.

A further possible explanation, can be that management tends to share more information with employees who have high job discretion, such as professional employees or specialists. This introduces the issue of direction of causality as a more general point. Indeed, it could be that some of the relationships may simply be associations rather causal links, a possibility that could only be properly tested with longitudinal data and analyses.

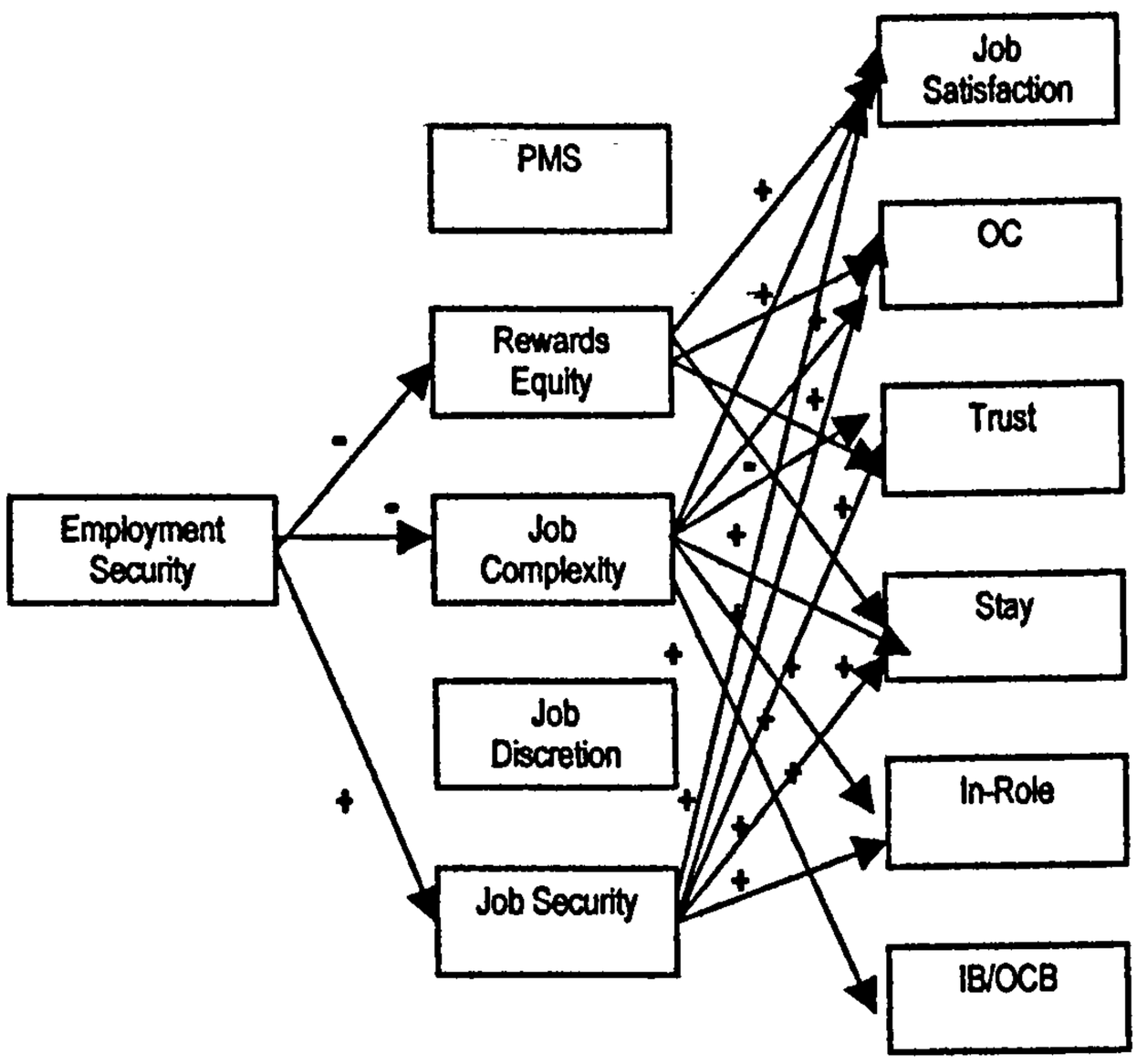
An example of an *Information Sharing* policy comes from STMicroelectronics, where it embraces several features. All managers hold periodical meetings with their teams to keep them updated on the company's main activities and leading results. Information is also provided by means of the STGlobal Intranet and Info Flash. Then there is the recently initiated "Lunch with the Managing Director", held periodically, where small groups of employees are given the chance to meet at lunch and talk directly with the Managing Director. Technogym's *Information Sharing* policy includes organising two annual conventions for all employees, called "Town Hall", where the company's results are communicated and information is given on future strategies and objectives. The final session of each convention is given over to an open forum where any employee can raise a question on any topic.

Our findings on *Information Sharing* are again generally consistent with prior empirical studies (e.g. Appelbaum, 2000; Guest, 2002; Godard et al., 2000), albeit that these looked at direct effects only and primarily at employee related attitudes such as job satisfaction, organisational commitment and organisational citizenship behaviour.

9.3.11 Employment Security

Employment Security relates to the degree of security of tenure provided by an organisation.

There was some indirect impact from this practice on all outcomes except IB/OCB. The effects, however, were mixed with the main routes being through a negative association with Perceived Rewards Equity and Job Complexity and a positive link through Job Security. This is shown diagrammatically below.



The concept of *Employment Security* has two separate dimensions, one which relates to the workforce as a whole and the other to employees as individuals. The recent economic instability brought by global competition has led to a more uncertain, more fragmented labour market with companies tending to lay off staff at the first signs of financial difficulties (Pfeffer, 1998). Employment relations in Italy, which were previously characterised by a high degree of stability, have become more flexible and dynamic, but also more uncertain (see Chapter 2). In such conditions it is reasonable that employees would gain reassurance from their company adopting practices to minimise the risk of downsizing or redundancy and guaranteeing their staff continued employment, except in extreme circumstances.

However, there is a less positive aspect of employment security and the employee-employer relationship in Italy. Italian labour law provides wide-ranging protection to employees, who can be fired only in the case of *giusta causa* (just cause) or *giustificato motivo* (justifiable motive). The core of the legislation, which is essentially aimed at preventing discriminatory or unmotivated dismissals, makes it very difficult in practice for an employer to sack an employee, unless he/she engages in actions worthy of serious reproach. As a result diligent employees tend to have negative feelings towards *Employment Security*, perceiving it as protecting the less reliable; both the hard-working and the less conscientious have the same prospects of remaining in their organisation.

In summary, looking across the eleven HR practices it can be seen that the range of findings provide good support for our model. When the practices are grouped together they show an impact on all six outcomes, at both individual and aggregate levels, which is fully or partially mediated by work experiences. The results are more mixed and more complex with respect to the individual practices and the HR factor bundles but, nevertheless, they generally confirm the assumptions underpinning our model. We now move on to the final part of this chapter which reviews the contribution this study makes to the existing pool of research on HRM, as well as considering relevant methodological issues and limitations of the research and some key policy implications deriving from the findings. We start by looking at some of the methodological constraints and potential limitations of the research.

9.4 Methodological issues

All research projects are subject to methodological issues and constraints in the techniques and procedures employed which may influence the validity of the findings and the degree to which generalisations can be drawn from them. The results of this study, and the conclusions drawn, must therefore, like those of any other study, be seen in the light of its limitations. The major issues encountered related to the cross-sectional research design, the concentration on quantitative research, the

operationalisation of some of the dependent and independent variables, and the inability to test the model fully at aggregate level.

The study employed a cross-sectional design to overcome constraints of time, cost and resources. Such a design, where data is collected at a single point in time, is thereby restricted to providing a snapshot of an ongoing situation. It therefore prevents any deductions of causality between the independent and the dependent variables. If establishing the existence of causal relationships is required, studies need to be of the longitudinal type. However, these tend to be very expensive and time consuming and have their own limitations, such as changes in the research setting. Most work on HR practices employs cross-sectional designs, and this has become the predominant convention. Nonetheless, in accord with Wright et al. (2001, 2002) and Wall and Wood (2005), we feel that future research on the extent to which work experiences mediate the relationship between HR practices and employee related outcomes will need to embrace a longitudinal design.

The need to concentrate on a quantitative approach derived from practicalities. In general, purely quantitative studies tend to have high reliability but low validity; where methodological triangulation (which involves collecting both quantitative and qualitative data) is used, the data is fleshed out and gains greater validity without compromising its reliability (Hussey and Hussey, 1997). At the early planning stages of our project, the research design incorporated substantial elements of qualitative analysis. It was our intention to supplement the quantitative data with qualitative information collected from three or four companies in the main sample. This was to have been obtained by interviews with HR managers, trades union representatives and a small sample of employees. Our aims were to compare different HR strategies and the rationale underlying them, to understand the reasons behind the introduction of each practice, to look at the ways the practices interrelated, to learn the history and development of the various practices applied and to gain a deeper understanding of perceptions of the influence of each practice on the employee work experiences covered. In the end, we carried out in-depth interviews with the HR managers of all twelve organisations surveyed and integrated this information with our quantitative

data. We were, though, denied access to the other respondents we wished to interview. This severely reduced the breadth of qualitative data we were able to collect.

The hurdle to the operationalisation of some of the variables was the need to adopt non-standard scales. As has been discussed, the questionnaire design involved an adaptation of the scales used in the Great Place to Work annual survey. Our agreement with the Institute was that we would add the minimum number of items possible to avoid the questionnaire becoming unwieldy. We therefore tried to make use of the highest number of items from the Great Place to Work questionnaire as it stood, which required a number of scales having to be developed specifically for our study, for use in both the employee and the HR managers' questionnaires. Nevertheless, all scales proved on the whole to have high levels of internal reliability.

Finally, the impossibility of testing all aspects of our model at aggregate level remains a significant issue. The importance of adopting a multilevel approach in HRM research is gaining increasing recognition and numerous researchers now consider it essential in furthering our understanding of the effects of HR on employees (Smithey Fulmer et al. 2003; Ostroff and Bowen, 2000). In line with this, our analysis was carried out at both individual and aggregate levels and we aimed to determine the extent to which the results were consistent across the twelve organisations. Unfortunately, the small size of the aggregate level sample meant that we could not analyse the data to the same level of detail as at the individual level. We therefore opted, in line with many previous studies (Delery et al., 1996; Guthrie, 2001; Huselid, 1995; MacDuffie, 1995), to bundle the HR practices when analysing them at aggregate level. As much as possible, however, we sought to compare findings at both levels of analysis and, in so doing, be able to gain a deeper insight and understanding about the effect of the HR practices on both employee work experiences and on the main attitudinal and behavioural outcomes of interest.

9.5 Contributions to pre-existing HRM research

Despite the limitations outlined above, the present study makes a number of important contributions to the pre-existing body of HRM research.

First, the study contributes to a better understanding of the impact of HR practices on employees. As previously noted, HR practices are often introduced primarily in order to foster companies' high performance, and the majority of studies in this area reflect this concern by focusing above all on the financial and economic impact of the HR practices. Their effects on employees has inspired much less interest. What research there has been (Appelbaum, 2002; Appelbaum et al., 2000; Guest, 1999; Guest, 2002; Peccei, 2004) has produced somewhat mixed, occasionally contradictory results. Our initial contribution lies here, in unravelling the relationships between a number of HR practices and certain outcomes which are of direct relevance to employees, but of interest also to organisations.

We went further, though, than simply looking at the direct impact of HR practices on key employee outcomes, as most previous empirical work in this area had done (Huselid, 1995; MacDuffie, 1995; Delery and Doty, 1996) and explored a core set of mechanisms through which the practices may operate, namely employees' work experiences. This was done by first developing a model of the relationship between HR practices, employee work experiences and employee outcomes and then systematically testing this model using both individual and aggregate data. In so doing, we started to open the "black box" (Gardner et al., 2000; Guest, 2001; Guest, 2002; Purcell et al., 2003; Ramsay et al., 2000) containing the intervening variables that can help to explain the impact that HRM systems can have on employee attitudes and behaviour and hence, ultimately, also on important aspects of organisational performance.

Another important contribution comes from our adoption of an integrated approach, joining together aspects of the macro/strategic and the micro/functional streams of HRM research. This follows Wright and Boswell's recommendation (2002) about the need for these parallel streams to start to converge. It is no longer sufficient to look

solely at corporate financial performance in HRM work, nor solely at employee attitudes and behaviour, as each gives only a partial picture of the complex relationship between employers and employees.

We additionally tried to overcome one of the most common problems encountered in HRM research, namely the reliance on a single information source. Most macro studies have gained their information on HR practices by interviewing one respondent per company, usually the HR manager. The resulting limited number of interviews makes for a more manageable study but runs the risks of subjectivity in responses and failing to capture variance among employees (Guest, 2001). In micro research it is employee opinions of HR practices that are generally canvassed. There are reliability problems here too because rather than measuring the true impact of HR practices on employee attitudes or behaviour, these studies reflect employees' perceptions of their impact (Podsakoff et al., 2003).

We circumvented some of these difficulties by using two information sources: HR managers were asked to list and describe the practices their organisation applied to various employee groups; employees were asked about their work experiences in relation to the practices applied and about the outcomes under examination. We could thus assess both the direct effects of HR practices on employee related outcomes and the mediating effects of work experiences on these outcomes. In addition the results were not subject to common method variance, a common problem in single-stream research.

Another advance is our study's form of multi-level approach. This again was prompted by previous recommendation (Smithey Fulmer et al., 2003; Ostroff and Bowen, 2000) that multi-level analysis is necessary if greater understanding of the effects of HR on employees is to be achieved. We therefore worked with two distinct datasets (individual and aggregate) and tested our model contextually at both levels. Individual level research has formed the lion's share of previous HRM studies focusing on employee outcomes. The few that have used aggregate level data have tended to aggregate at the level of the company department or business units. But HR

practices are usually applied to employees according to their occupational role. As a result we considered it far more appropriate to use the occupational group as the aggregate unit of analysis.

The adoption of a form of multi-level approach produced a wider range of results and enabled a broader analysis. There were important findings from each level taken on its own; these findings took on greater weight when the two datasets were looked at side-by-side. The individual-level analysis provided greater detail, due to the significantly larger sample size, and it also provided greater opportunity for comparing results with earlier studies (Appelbaum et al., 2000; Guest, 2002; Tsui et al., 1997). This was balanced by the stronger statistical reliability of the aggregated data. Comparing the two sets of data allowed us to assess the consistency of findings across the two levels of analysis, thereby allowing for a potentially more robust set of conclusions.

The nature of the sample used for the study is also worthy of note. Much of the previous HRM research has focused on a single industry or single occupational group (Arthur, 1995, Delery and Doty, 1996, Hoque, 1999; MacDuffie, 1995), even though such a narrow range of focus compromises the generalisability of results. Our work instead spanned a range of industries, including production, distribution, marketing and consultancy, and included large, medium and small enterprises, and all occupational groups within these companies. Having such a diversity of enterprises and occupational group was of great importance to the research as differences in sector and size lead to a great variety of working conditions and therefore a wide range of employer-employee relationships.

Finally, the location of the study, Italy, was fundamental. As discussed earlier (see Chapter 2) Italian HRM research is often theoretical. This project therefore responded to a keenly felt need among HRM researchers and practitioners in the country for more empirical work and for the development of a stronger evidence-based approach to the study of HRM.

9.6 Policy implication of the findings

I find myself approaching this section with trepidation and, at this point, must declare a personal interest in what follows. I have been working in human resource management for almost fifteen years, firstly in the HR department of a leading Italian telecommunications company and later as a consultant. I therefore have direct experience of both sides of the fence: of what goes into proposing the adoption of new practices and what goes into implementing them. And I identify strongly with those who are at the receiving end of all new developments. Yet in all these years two questions have continued to echo in my mind: do HR practices really matter, and if so, why?

I have undertaken this project, therefore, not purely from a theoretical and cognitive interest but because I really wanted to gain a better understanding, albeit limited by the constraints of the study, of what happens in the "black box", of the mechanisms by which employees are affected when they are subjected to a number of, sometimes conflicting, HR practices.

To some extent the results support my scepticism, but they also provide much important evidence that HR practices really are of importance. Although their effects on employees vary, to the extent, as suggested by researchers including Appelbaum (2002, 2000), Peccei (2004) and Guest (2002), of becoming mutually contradictory, overall they make a significant contribution to the development of positive attitudes and behaviour. Part of the motivation behind this study was to help discover why such contradictions appear by looking at the chain of relationships created by each practice.

The first major implication of the findings is the strong mediating role played by key employee experiences at work. The five work experiences we examined when taken together mediated positively between the eleven HR practices considered and the six employee related outcomes at both aggregate and individual levels. The leading implication of this for HR managers is that they need to monitor their organisational climate continuously. Organisations in general, and Italian organisations in particular,

are often reluctant to embark on surveys involving their employees. Yet it is clear from our study that much can be gained from having a reliable gauge of the workforce's perceptions of their working environment. Organisational climate embraces the entirety of employee perceptions of their organisation, including the parameters we analysed as work experiences. As these represent the middle link in the chain between HR practices and attitudes and behaviour, positive perceptions can be taken to indicate that the HR practices in place are working effectively and that the employee related outcomes will be positive.

The findings concerning the important mediating role played by employee work experiences have also major implications for middle managers and their responsibilities. This is so especially because the two employee work experiences that most strongly mediate the effect of practices such as *Internal Promotion*, *Employee Rewards*, *Systematic Selection Procedures* and *Socialisation* are those involving perceptions of management support and managerial equity. This clearly has serious ramifications for the way in which middle management and direct supervisors relate to their staff: they will need to reinforce these perceptions by behaviour that is consistent with them. Any behaviour that runs counter to these perceptions may compromise the effects of this "positive chain of influence" and reduce or nullify the impact of a company's HRM policy. This is in line with the results of several studies (i.e. Purcell et al, 2003; Hutchinson and Purcell, 2003) showing that increases in front line management attention to their workforce is likely to enhance employee satisfaction, motivation and extra-role behaviour, thereby highlighting the key role played by front line managers not only in effectively implementing the HR policies and practices of the organisation, but also in reinforcing their positive impact on employees.

Of interest here is Wright and Boswell's (2002) comment on the importance of the distinction between policies and practices, the former representing a company's declared intent on the types of HR processes and techniques it wishes to see in place, and the latter forming the processes and techniques that are actually applied. In fact, as Purcell and his colleagues noted (2003), it is misleading to assume that simply

because HR policies are developed they will be implemented as intended. The role of middle management here is to minimise the gap between the two, while the role of HR departments is to provide middle management with all the support and coaching it needs to fulfil employee expectations. In fact, it is not just about getting good managers, but about establishing the context in which they can be good managers, and providing them with the support and tools to do the job well (Purcell et al. 2003). As we have previously pointed out, in fact, some practices such us *Performance Appraisal* for instance, require skills and abilities which are not always innate, but need to be cultivated and sustained. Listening and motivational skills are two cases in point.

In a recent Italian publication (Iacci and Varchetta, 2006) it was pointed out that in the last few decades Italian HR departments have paid too much attention to top management and its strategic influence on an organisation and to the so-called "war of talents", neglecting or underrating the role and contribution of middle management. Middle managers are now regaining their core status although what is expected of them has changed considerably. With the increasing relevance of knowledge workers in many organisations the middle management role is shifting from control to support. In this new scenario, the function of middle managers becomes that of reinforcing precisely those activities which our research has shown to lead to more positive employee related outcomes. Previous research on people and performance has been largely silent on the role of managers, as Purcell and his colleagues noted (2003), and our study provides a contribution in this direction.

This brings us to our central concern: the effectiveness of HR practices. Our results demonstrate that the adoption of what may be considered sophisticated HR practices generally has a positive impact on outcomes which are of interest to an organisation but of even greater interest to its employees. Hence it might appear that any organisation investing heavily in the newest, brightest HRM techniques should see its investment easily repaid. But things are not so simple because, as we have demonstrated, not all practices provide the same return.

Our findings, in line with those of other studies, show that the practices more likely to lead to the most positive attitudes and behaviour are primarily those in the areas of rewards and recognition, both economical and hierarchical, and those in the area of integration. Investment in these areas can lead to higher levels of job satisfaction, commitment and trust among employees as well as better performance and more innovative and proactive behaviour.

Finally, our study was consistent with previous research (Appelbaum, 2002; Appelbaum et al., 2000; Guest, 1999; Peccei, 2004; Dawson and Webb, 1989) in showing that HR practices can increase anxiety and pressure among employees. In particular, the results demonstrated that some practices, notably *Development Plans, Performance Appraisal and Job Control,* have a negative influence on employees' perceptions of their working environment which, in turn, leads to a negative impact on their attitudes and behaviour. As we have already commented, an explanation of this negative effect may derive from the feeling among employees that the introduction of certain practices considerably increases their work responsibilities. They may well find the fact that they are not merely encouraged but expected to use their imagination, creativity and knowledge for the benefit of the organisation to be a source of stress.

Therefore, our concluding recommendation is that *Handle With Care* should be the first point on the list when deliberating the introduction of any HR practice, and that recognition of the potential of HR practices should be tempered by awareness of their limitations. HR managers should always bear in mind that it is their job to select the policies which are best suited to their individual organisation, and that on occasions it can be better not to introduce a particular practice, even though their competitors may be using it.

9.7 Suggestions for future research

Although we have demonstrated unequivocally the importance of work experiences in mediating the relationship between HR practices and employee related outcomes, there is still much work to be done in gaining a better understanding of these relationships.

There is, we believe, a need for a clearer definition and conceptualisation of HR practices and systems of practices, research to date having failed to bring unanimity to this area. This should go hand in hand with the development of more robust, reliable and theoretically informed analyses of the impact of HR practices on major employee related outcomes, such as those related to satisfaction, commitment, trust and well-being. Results to date have been mixed and contradictory, yet researchers and practitioners both require consistency and reliability.

We also see a need to expand the sphere of research, developing more complex models which can embrace financial and economic indicators alongside employee related outcomes, thus enabling an assessment of the extent to which HR practices, through the mediating effects of work experiences and employee attitudes, influence organisational performance.

In addition, we feel that the distinction between policies and practices and the role of middle management require greater emphasis. As argued by Wright and Boswell (2002) recognising this distinction has a number of implications for HRM research. It highlights the need for analysis to be directed towards the practices actually in place rather than the policies, or to encompass both. This will lead to moving past HR managers as sole respondents and involving middle managers too, as it is they who implement the policies and turn them into practices.

All this further work will require the systematic development of multi-level analytical models which can be tested longitudinally using both individual- and aggregate-level data. Our study benefited greatly from such an integrated approach, although we were disappointed by the constraints imposed by the aggregate-level sample size. It would

be of great interest if future studies were able to observe the impact of HR practices over time at aggregate level in greater detail.

9.8 Chapter summary

The chapter provided a detailed discussion of the main results of the study presented in Chapters 7 and 8, and looked at the degree of fit of the findings to the various assumptions underpinning the research model. Particular consideration was given to the findings on the mediating role of work experiences between the eleven HR practices and the six employee-related outcomes analysed.

We then highlighted the methodological limitations of our study and went on to discuss its contribution to the human resource management field.

We next looked at the policy implications of the findings, bringing out the important repercussions for HR departments and human resource management in general of the acknowledgement of the mediating role of work experiences .

We concluded by discussing the considerable potential for taking this line of research further and offered suggestions for future work.

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APPENDIX 5.1

The employee questionnaire – Italian version

GREAT PLACE TO WORK®
INSTITUTE ITALIA

"Migliorare la Società, aiutando le aziende a trasformare il loro ambiente di lavoro"

Indagine sulla qualità dell'ambiente organizzativo nelle aziende italiane

Anno 2002

Milano, settembre 2002

Gentile Signora / Egregio Signore,

è stata/o selezionata/o attraverso un campionamento casuale per partecipare ad un'indagine che il Great Place to Work® Institute Italia sta conducendo con i dipendenti di un gran numero di importanti aziende italiane. L'organizzazione in cui si trova è una delle candidate a qualificarsi nella lista delle migliori aziende per cui lavorare in Italia. Il risultato di questa indagine sarà pubblicato su alcuni organi di stampa tra Ottobre e Novembre.

La sua collaborazione è molto importante per la buona riuscita di questa ricerca. Infatti è proprio dalle sue risposte che capiremo se l'azienda per cui lavora può essere considerata una delle migliori per cui lavorare in Italia. Riteniamo che solo chi trascorre buona parte della giornata all'interno di un'organizzazione e che conosce bene tutto ciò che vi accade quotidianamente, possa valutarne l'ambiente di lavoro, su aspetti quali la bontà delle decisioni che vengono prese, l'equità dei riconoscimenti e delle promozioni, la fiducia riposta dalle persone nei responsabili e così di seguito.

Per questi motivi è importante che lei risponda alle domande nel modo più **oggettivo** ed **equilibrato** possibile. Non vi sono risposte giuste o sbagliate a priori: nessuna azienda è perfetta, tutte hanno punti forti e punti deboli. Le sue risposte verranno trattate in modo assolutamente riservato, e non verranno conosciute dall'azienda: saranno lette esclusivamente dai consulenti del Great Place to Work® Institute Italia, istituto di ricerca che sta conducendo questo progetto.

Rispondere a questo questionario non le occuperà molto del suo tempo. Quanto più velocemente ce lo restituirà, tanto più ci aiuterà nella nostra indagine.

Ringraziandola in anticipo per la sua preziosa collaborazione, le porgo i miei migliori saluti.

Gilberto Dondé
Great Place to Work® Institute Italia

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Indagine sulla qualità dell'ambiente organizzativo nelle aziende italiane

Great Place to Work®

- PER FAVORE, INDICHI LA SUA RISPOSTA CON UNA CROCE
- SE DOVESSE SBAGLIARSI, CANCELLI COPLETAMENTE LA RISPOSTA E RISCRIVA LA CROCE
- E' POSSIBILE USARE INDIFFERENTEMENTE UNA MATITA O UNA PENNA

Per ciascuna delle seguenti affermazioni, selezioni con una croce la risposta che meglio descrive la sua esperienza. Se per qualsiasi ragione non fosse in grado di rispondere, lasci la voce in bianco.

	quasi sempre falso	spesso falso	a volte vero a volte no	spesso vero	quasi sempre vero
1. Questo è un ambiente di lavoro dove ci si sente a proprio agio.	☐	☐	☐	☐	☐
2. Mi vengono date le risorse e le attrezzature per svolgere il mio lavoro.	☐	☐	☐	☐	☐
3. Questo è un luogo di lavoro fisicamente sicuro.	☐	☐	☐	☐	☐
4. Ogni dipendente ha l'opportunità di ottenere un riconoscimento speciale.	☐	☐	☐	☐	☐
5. Qui le persone sono pronte a dare qualcosa in più per portare a termine il lavoro.	☐	☐	☐	☐	☐
6. Si può contare sulla collaborazione delle persone.	☐	☐	☐	☐	☐
7. I Responsabili manifestano chiaramente le loro aspettative.	☐	☐	☐	☐	☐
8. Posso porre ai Responsabili qualsiasi domanda ragionevole ed ottenere una risposta franca.	☐	☐	☐	☐	☐
9. Mi vengono offerte opportunità di addestramento e sviluppo per migliorare dal punto di vista professionale.	☐	☐	☐	☐	☐
10. I Responsabili mostrano apprezzamento per un lavoro ben fatto e per un impegno particolarmente intenso.	☐	☐	☐	☐	☐
11. Qui le persone vengono pagate in modo equo per il lavoro che svolgono.	☐	☐	☐	☐	☐
12. Il mio lavoro ha un significato particolare: non è "un lavoro come un altro".	☐	☐	☐	☐	☐
13. Quando le persone cambiano mansioni o funzioni, vengono fatte sentire subito a loro agio.	☐	☐	☐	☐	☐
14. I Responsabili sono disponibili ed è facile parlare con loro.	☐	☐	☐	☐	☐
15. I Responsabili riconoscono che gli errori commessi in buona fede fanno parte dell'attività lavorativa.	☐	☐	☐	☐	☐
16. I Responsabili ricercano con reale interesse suggerimenti ed idee e li prendono in considerazione.	☐	☐	☐	☐	☐
17. Quando vedo cosa realizziamo provo un senso di orgoglio.	☐	☐	☐	☐	☐
18. I Responsabili mi tengono informato/a sulle questioni e sui cambiamenti di rilievo.	☐	☐	☐	☐	☐
19. I Responsabili hanno un chiaro quadro di dove la Società sta andando e di come potrà arrivarci.	☐	☐	☐	☐	☐
20. I Responsabili hanno fiducia che le persone facciano un buon lavoro senza che debbano essere continuamente controllate.	☐	☐	☐	☐	☐
21. I Responsabili coinvolgono le persone nelle decisioni che influiscono sul loro lavoro e sul loro ambiente lavorativo.	☐	☐	☐	☐	☐
22. I Responsabili non fanno favoritismi fra i collaboratori.	☐	☐	☐	☐	☐
23. Apprezzo il modo in cui contribuiamo al benessere della comunità.	☐	☐	☐	☐	☐
24. I Responsabili fanno un buon lavoro nel collocare e nel coordinare le persone.	☐	☐	☐	☐	☐
25. Alle persone viene data molta responsabilità.	☐	☐	☐	☐	☐
26. Questo luogo di lavoro è salubre da un punto di vista psicologico ed emozionale.	☐	☐	☐	☐	☐
27. Le promozioni vanno a chi le merita di più.	☐	☐	☐	☐	☐
28. Le persone ambiscono a venire a lavorare qui.	☐	☐	☐	☐	☐

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Indagine sulla qualità dell'ambiente organizzativo nelle aziende italiane

Great Place to Work®

Per ciascuna delle seguenti affermazioni, selezioni con una croce la risposta che meglio descrive la sua esperienza. Se per qualsiasi ragione non fosse in grado di rispondere, lasci la voce in bianco.

	quasi sempre falso	spesso falso	a volte vero a volte no	spesso vero	quasi sempre vero
29. Qui posso essere me stesso/a.	☐	☐	☐	☐	☐
30. I Responsabili mantengono le loro promesse.	☐	☐	☐	☐	☐
31. Le persone qui vengono trattate in modo imparziale indipendentemente da :					
età	☐	☐	☐	☐	☐
origine etnica	☐	☐	☐	☐	☐
sesso	☐	☐	☐	☐	☐
orientamento sessuale	☐	☐	☐	☐	☐
presenza di disabilità	☐	☐	☐	☐	☐
32. Qui le persone si preoccupano le une delle altre.	☐	☐	☐	☐	☐
33. I Responsabili agiscono coerentemente con quello che dicono.	☐	☐	☐	☐	☐
34. Sono fiero di dire agli altri che lavoro qui.	☐	☐	☐	☐	☐
35. Qui si prova un senso di “famiglia” o di “squadra".	☐	☐	☐	☐	☐
36. Credo che i Responsabili ricorrerebbero al licenziamento solo come ultima risorsa.	☐	☐	☐	☐	☐
37. Le persone vengono incoraggiate a trovare un equilibrio fra lavoro e vita privata.	☐	☐	☐	☐	☐
38. Se venissi trattato/a iniquamente e mi appellassi all’azienda, otterrei una revisione imparziale del mio caso.	☐	☐	☐	☐	☐
39. Qui abbiamo vantaggi speciali ed unici.	☐	☐	☐	☐	☐
40. Qui le persone festeggiano gli eventi speciali.	☐	☐	☐	☐	☐
41. Le persone evitano di ricorrere alla politica e di parlare alle spalle come modi per ottenere i risultati desiderati.	☐	☐	☐	☐	☐
42. I Responsabili sono competenti nella gestioni delle attività aziendali.	☐	☐	☐	☐	☐
43. Siamo tutti nella stessa situazione.	☐	☐	☐	☐	☐
44. I Responsabili agiscono in modo onesto ed etico nella loro attività aziendale.	☐	☐	☐	☐	☐
45. I Responsabili mostrano un interesse sincero per me come persona, non solo come dipendente.	☐	☐	☐	☐	☐
46. Vengo trattato/a come membro dell’azienda a tutti gli effetti, indipendentemente dalla mia posizione.	☐	☐	☐	☐	☐
47. Sento che qui il mio contributo è determinante.	☐	☐	☐	☐	☐
48. Quando una persona è assunta, viene fatta sentire la benvenuta.	☐	☐	☐	☐	☐
49. Le nostre strutture contribuiscono a creare un buon ambiente lavorativo	☐	☐	☐	☐	☐
50. Questo è un luogo di lavoro piacevole.	☐	☐	☐	☐	☐
51. Prevedo di lavorare qui fino al pensionamento.	☐	☐	☐	☐	☐
52. Posso prendere un permesso dal lavoro quando ne ho la necessità	☐	☐	☐	☐	☐
53. Tutto considerato, direi che questo è un eccellente luogo di lavoro	☐	☐	☐	☐	☐

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Indagine sulla qualità dell'ambiente organizzativo nelle aziende italiane

Great Place to Work®

Per ciascuna delle seguenti affermazioni, selezioni con una croce la risposta che meglio descrive la sua esperienza. Se per qualsiasi ragione non fosse in grado di rispondere, lasci la voce in bianco.

	quasi sempre falso	spesso falso	a volte vero a volte no	spesso vero	quasi sempre vero
54. Qui ho buone opportunità di fare carriera.	☐	☐	☐	☐	☐
55. Ritengo che il mio impiego sia sicuro.	☐	☐	☐	☐	☐
56. Posso svolgere il mio lavoro nel modo che ritengo sia il migliore	☐	☐	☐	☐	☐
57. Spesso nel mio lavoro faccio più di quanto mi sia richiesto.	☐	☐	☐	☐	☐
58. Nel complesso sono soddisfatto del mio lavoro.	☐	☐	☐	☐	☐
59. Le persone qui sono incoraggiate a sviluppare le proprie capacità.	☐	☐	☐	☐	☐
60. Vengo pagato in modo equo tenuto conto delle mie responsabilità e delle mie competenze	☐	☐	☐	☐	☐
61. Nel mio lavoro ho l'opportunità di fare attività molto diverse.	☐	☐	☐	☐	☐
62. Provo un forte senso di appartenenza a questa azienda.	☐	☐	☐	☐	☐
63. Il mio responsabile diretto ha un'alta considerazione del mio operato.	☐	☐	☐	☐	☐
64. Devo risolvere problemi che non hanno una soluzione scontata.	☐	☐	☐	☐	☐
65. Questo lavoro mi apre nuove opportunità.	☐	☐	☐	☐	☐
66. Generalmente i miei risultati sono in linea con le aspettative dei miei responsabili.	☐	☐	☐	☐	☐
67. Mi diverto a fare il mio lavoro.	☐	☐	☐	☐	☐
68. Mi capita spesso di lavorare oltre il normale orario di lavoro.	☐	☐	☐	☐	☐
69. Mi sento parte di questa azienda.	☐	☐	☐	☐	☐
70. Mi sforzo molto di modificare il mio operato al fine trovare nuove soluzioni.	☐	☐	☐	☐	☐
71. Nel mio lavoro affronto problemi di difficile soluzione.	☐	☐	☐	☐	☐
72. Posso pianificare autonomamente il mio lavoro.	☐	☐	☐	☐	☐
73. Il contenuto del mio lavoro è molto vario.	☐	☐	☐	☐	☐
74. Mi impegno molto per raggiungere risultati innovativi.	☐	☐	☐	☐	☐
75. Sarei riluttante a lasciare questa azienda.	☐	☐	☐	☐	☐
76. I miei risultati sono in linea con le mie potenzialità.	☐	☐	☐	☐	☐
77. Tutto sommato questo lavoro soddisfa le mie aspettative.	☐	☐	☐	☐	☐

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Indagine sulla qualità dell'ambiente organizzativo nelle aziende italiane

Great Place to Work®

Al fine di comprendere meglio il suo ambiente di lavoro, le richiediamo alcune informazioni per definire in modo preciso le categorie dei partecipanti alle ricerca.
Le sue risposte verranno usate dal Great Place to Work® Institute Italia esclusivamente allo scopo di monitorare e trattare statisticamente le risposte. **Alle sue risposte non verrà collegato alcun elemento di identificazione.**

Indicare con una croce la voce più appropriata per ciascuna delle seguenti categorie demografiche.

A.	**Tipo di lavoro svolto**
☐	Personale di supporto / amministrativo
☐	Addetto alla produzione / ai servizi
☐	Specialista / Tecnico
☐	Capo di prima linea
☐	Direttore / Manager

B.	**Sesso**
☐	Maschile
☐	Femminile

C.	**Età**
☐	Fino a 25 anni
☐	Tra 26 e 34 anni
☐	Tra 35 e 44 anni
☐	Tra 45 e 54 anni
☐	Da 55 anni in avanti

D.	**Anzianità aziendale**
☐	Meno di 2 anni
☐	Da 2 a 5 anni
☐	Da 6 a 10 anni
☐	Da 11 a 15 anni
☐	Da 16 a 20 anni
☐	Oltre i 20 anni

E.	**Condizione lavorativa**
☐	Tempo pieno
☐	Part time

F.	**Fa parte di una minoranza etnica?**
☐	Si
☐	No

G.	**Livello di istruzione**		
☐	Licenza media inferiore	☐ Diploma universitario	☐ Specializzazione post-laurea o Master
☐	Diploma superiore	☐ Laurea	

Grazie per aver completato il sondaggio. NON apporre alcun segno di identificazione. Depositare il questionario nel punto di raccolta predisposto dalla sua azienda.

TABELLA DELLE POSIZIONI LAVORATIVE

Personale di supporto/amministrativo — sono i dipendenti senza responsabilità di comando che lavorano in aree di appoggio o con incarichi di amministrazione. Esempi: segretarie, impiegati amministrativi.

Addetto alla produzione/ai servizi — sono gli addetti che eseguono direttamente le attività produttive dell'azienda, inclusi operai addetti alla produzione, operatori di sistemi informatici che servono la produzione, cassieri di banca, operatori di call center, ecc.

Specialista/Tecnico — sono i dipendenti senza responsabilità di comando che applicano capacità specialistiche nel loro lavoro. Esempi: venditori, progettisti, analisti di sistemi, analisti di mercato.

Capo di prima linea — sono i livelli di comando dell'organizzazione a diretto contatto con il personale esecutivo (anche se con titoli differenti).

Direttore/Manager — sono i dipendenti che compongono i livelli manageriali più alti dell'azienda o si rapportano con questi (anche se con titoli differenti).

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APPENDIX 5.2

The employee questionnaire – English version

GREAT PLACE TO WORK®
INSTITUTE ITALIA

"To building a better society by helping companies transform their workplaces"

Italian companies workplace quality survey

2002

September 2002, Milano

Dear Madam/Sir,

You were selected to participate to a research, Great Place to Work® Institute Italia is doing surveying the employees of a big number of important Italian companies. The organization you work for is eligible to qualify in the list of the best companies to work for in Italy, which will be published by some newspapers and magazines in the last quarter of the year.

Your help is very useful for the success of this survey. In fact we will be able to understand if your company is one of the best to work for in Italy just basing on your answers. We think only people, who spend a large amount of their time inside the organization, and who are well knowledgeable about everything happening there day by day, can assess their workplace about features like decision making quality, rewards and career advancements fairness, employees' trust in their managers, and so on.

For all these reasons it is very important you answer this questionnaire items as objectively and candidly as possible. There are no right or wrong answers: no companies are perfect, all of them have high points and weak points. Your answers will be treated confidentially and they will not seen by your company: they will be read only by consultants of Great Place to Work® Institute Italia, the research institute which is doing this survey.

Answering this questionnaire will not take much time. As faster you'll give it back to us, as more you will help us for this survey.

Gilberto Dondé
Great Place to Work® Institute Italia

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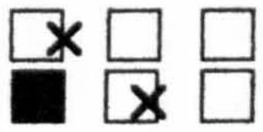
Italian companies organizational behavior survey

Great Place to Work®

- PLEASE INDICATE YOUR ANSWER USING A CROSS MARK.
- IF YOU MARK INCORRECTLY, BLANK OUT THE WHOLE BOX AND REMARK CORRECTLY.
- YOU MAY USE EITHER PENCIL OR PEN.



For every statement, fill in one answer that most accurately reflects your opinion of your organization as a whole. If you feel you cannot answer a question for any reason, please leave it blank.

	Almost always untrue	Often untrue	Sometimes untrue/ sometimes true	Often true	Almost always true
1. This is a friendly place to work.	☐	☐	☐	☐	☐
2. I am given the resources and equipment to do my job	☐	☐	☐	☐	☐
3. This is a physically safe place to work	☐	☐	☐	☐	☐
4. Everyone has an opportunity to get special recognition.	☐	☐	☐	☐	☐
5. People here are willing to give extra to get the job done.	☐	☐	☐	☐	☐
6. You can count on people to cooperate	☐	☐	☐	☐	☐
7. Management makes its expectations clear.	☐	☐	☐	☐	☐
8. I can ask management any reasonable question and get a straight answer.	☐	☐	☐	☐	☐
9. I am offered training or development to further myself professionally.	☐	☐	☐	☐	☐
10. Management shows appreciation for good work and extra effort.	☐	☐	☐	☐	☐
11. People here are paid fairly for the work they do.	☐	☐	☐	☐	☐
12. My work has special meaning, this is not "just a job".	☐	☐	☐	☐	☐
13. When people change jobs or work units, they are made to feel right at home.	☐	☐	☐	☐	☐
14. Management is approachable, easy to talk with.	☐	☐	☐	☐	☐
15. Management recognizes that honest mistakes are part of doing business.	☐	☐	☐	☐	☐
16. Management genuinely seeks and responds to suggestions and ideas.	☐	☐	☐	☐	☐
17. When I look at what we accomplish, I feel a sense of pride.	☐	☐	☐	☐	☐
18. Management keeps me informed about important issues and changes.	☐	☐	☐	☐	☐
19. Management has a clear view of where the organisation is going and how to get there.	☐	☐	☐	☐	☐
20. Management trusts people to do a good job without watching over their shoulder.	☐	☐	☐	☐	☐
21. Management involves people in decisions that affect their jobs or work environment.	☐	☐	☐	☐	☐
22. Managers avoid playing favorites.	☐	☐	☐	☐	☐
23. I feel good about the ways we contribute to the community	☐	☐	☐	☐	☐
24. Management does a good job of assigning and coordinating people.	☐	☐	☐	☐	☐
25. People here are given a lot of responsibility	☐	☐	☐	☐	☐
26. This is a psychologically and emotionally healthy place to work.	☐	☐	☐	☐	☐
27. Promotions go to those who best deserve them.	☐	☐	☐	☐	☐
28. People look forward to coming to work here.	☐	☐	☐	☐	☐

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Italian companies organizational behavior survey

Great Place to Work®

For every statement, fill in one answer that most accurately reflects your opinion of your organization as a whole. If you feel you cannot answer a question for any reason, please leave it blank.

	Almost always untrue	Often untrue	Sometimes untrue/ sometimes true	Often true	Almost always true
29. I can be myself around here.	☐	☐	☐	☐	☐
30. Management delivers on its promises.	☐	☐	☐	☐	☐
31. People here are treated fairly regardless of: age	☐	☐	☐	☐	☐
race/ethnic origin/religion	☐	☐	☐	☐	☐
sex	☐	☐	☐	☐	☐
sexual orientation	☐	☐	☐	☐	☐
Disability	☐	☐	☐	☐	☐
32. People care about each other here.	☐	☐	☐	☐	☐
33. Management's actions match its words.	☐	☐	☐	☐	☐
34. I'm proud to tell others I work here	☐	☐	☐	☐	☐
35. There is a "family" or "team" feeling here	☐	☐	☐	☐	☐
36. I believe management would lay people off only as a last resort	☐	☐	☐	☐	☐
37. People are encouraged to balance their work life and personal life	☐	☐	☐	☐	☐
38. If I am unfairly treated, I believe I'll be given a fair shake if I appeal	☐	☐	☐	☐	☐
39. We have special and unique benefits here	☐	☐	☐	☐	☐
40. People celebrate special events around here	☐	☐	☐	☐	☐
41. People avoid politicking and backstabbing as ways to get things done	☐	☐	☐	☐	☐
42. Management is competent at running the business	☐	☐	☐	☐	☐
43. We're all in this together	☐	☐	☐	☐	☐
44. Management is honest and ethical in its business practices	☐	☐	☐	☐	☐
45. Management shows a sincere interest in me as a person, not just an employee	☐	☐	☐	☐	☐
46. I am treated as a full member here regardless of my position	☐	☐	☐	☐	☐
47. I feel I make a difference here	☐	☐	☐	☐	☐
48. When you join the company, you are made to feel welcome	☐	☐	☐	☐	☐
49. Our facilities contribute to a good working environment	☐	☐	☐	☐	☐
50. This is a fun place to work.	☐	☐	☐	☐	☐
51. I plan on working here until I retire	☐	☐	☐	☐	☐
52. I am able to take time off from work when I think it's necessary	☐	☐	☐	☐	☐
53. Taking everything into account, I would say this is a great place to work	☐	☐	☐	☐	☐

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Italian companies organizational behavior survey

Great Place to Work®

For every statement, fill in one answer that most accurately reflects your opinion of your organization as a whole. If you feel you cannot answer a question for any reason, please leave it blank.

	Almost always untrue	Often untrue	Sometimes untrue/ sometimes true	Often true	Almost always true
54. I have a very good chance to get ahead with my organization	☐	☐	☐	☐	☐
55. I feel my job in this organisation is secure	☐	☐	☐	☐	☐
56. I can carry out my work in the way I think best	☐	☐	☐	☐	☐
57. I often come up with creative solution in my work	☐	☐	☐	☐	☐
58. I often do more then is required of me in my job	☐	☐	☐	☐	☐
59. Overall, I am satisfied with my job	☐	☐	☐	☐	☐
60. People working here are encouraged to develop their skills	☐	☐	☐	☐	☐
61. I am paid fairly in view of my responsibilities and experience	☐	☐	☐	☐	☐
62. I have the opportunity to do a number of different things	☐	☐	☐	☐	☐
63. I feel a strong sense of belonging to this organization	☐	☐	☐	☐	☐
64. My senior manager values my contribution at work	☐	☐	☐	☐	☐
65. I have to solve problems that have no obvious answer	☐	☐	☐	☐	☐
66. This job will open up new opportunities for me	☐	☐	☐	☐	☐
67. My work performance are generally on line with my senior manager 's expectations	☐	☐	☐	☐	☐
68. I find enjoyment in my work	☐	☐	☐	☐	☐
69. I often work extra hours as an when necessary	☐	☐	☐	☐	☐
70. I feel myself to be part of this organization	☐	☐	☐	☐	☐
71. I am required to deal with problems that are difficult to solve	☐	☐	☐	☐	☐
72. I can plan my own work	☐	☐	☐	☐	☐
73. The duties in my job are not repetitive	☐	☐	☐	☐	☐
74. I work very hard continuously to innovate the outcomes of my work	☐	☐	☐	☐	☐
75. I would be reluctant to leave my present employer	☐	☐	☐	☐	☐
76. I am doing very well on my job considering my ideal standard	☐	☐	☐	☐	☐
77. All in all, this job has lived up to my expectations	☐	☐	☐	☐	☐

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Italian companies organizational behavior survey

Great Place to Work®

To better understand your workplace, we need some additional information to classify participants into general categories. Individual responses will be kept strictly confidential and will not be shared with anyone within your organization. Please fill in one answer for each question.

A.	Type of job
☐	Clerical / Administrative
☐	Production / Services
☐	Professional /Technical
☐	Manager / Supervisor
☐	Executive / Senior Manager

B.	Gender
☐	Female
☐	Male

C.	Age Category
☐	25 years or younger
☐	26 years to 34 years
☐	35 years to 44 years
☐	45 years to 54 years
☐	55 years or older

D.	Years of service with this organization
☐	Less than 2 years
☐	2 years to 5 years
☐	6 years to 10 years
☐	11 years to 15 years
☐	16 years to 20 years
☐	Over 20 years

E.	Work Status
☐	Full-time
☐	Part time

F.	Educational level
☐	Secondary school
☐	High school
☐	Diploma universitario
☐	Degree certificate
☐	Master's degree

THANK YOU FOR COMPLETING THIS SURVEY

ROLES TABLE

Executive/Senior Manager — They are people who belongs to management board of the company or who directly report to them.
Manager/Supervisor — They are manger who are responsible for people at the operating level of the company.
Professional/Technical — They are professional without managerial responsibilities who work at core business areas of the organization. Examples: Sales Representatives, System Analysts (if the company business is Information technologies) marketing analysts.
Production/Service — They are employees who directly do the production activities of the company. They include Workers, Production Information System Operators, Production Operators, Bank Cashiers, etc.
Clerical/Administrative — They are employees without managerial responsibilities who work at support areas not directly dealing with the company core business. Examples: Secretaries, Administration Clerks, System Analysts (When company business is not Information Technologies).

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APPENDIX 5.3

The HR managers' questionnaire – Italian version

GREAT PLACE TO WORK®
INSTITUTE ITALIA

"Migliorare la Società, aiutando le aziende a trasformare il loro ambiente di lavoro"

INDAGINE 2002: QUESTIONARIO SULL'AZIENDA

GREAT PLACE TO WORK®

Le risposte a questo questionario devono essere inviate in duplice copia cartacea, e attraverso e-mail (indagine@greatplacetowork.it).

Prima parte - Dati e informazioni sull'azienda

La prima parte del Questionario Azienda© di Great Place to Work® riguarda informazioni su fatti concreti, quali proprietà, caratteristiche demografiche dei dipendenti, schemi di retribuzione e benefici. Le domande vengono poste per avere una migliore comprensione del vostro ambiente organizzativo. Qualora non siate in grado di rispondere ad alcune domande, in quanto l'azienda non raccoglie certi dati e informazioni qui richiesti, l'azienda non verrà per questo penalizzata.

ISTRUZIONI
Per favore, rispondete in modo leggibile alle domande sotto riportate, possibilmente utilizzando il computer. La tabella seguente è stata creata con Word 97 della Microsoft e dovrebbe potersi aprire con le principali applicazioni per elaborazioni di testi. Le celle della colonna a destra si allargheranno per adattarsi alla lunghezza delle risposte che darà.

	INFORMAZIONI GENERALI	INSERISCA LE RISPOSTE IN QUESTA COLONNA:
1	Nome dell'organizzazione	
2	Indirizzo della sede centrale (in Italia)	
3	Indirizzo del sito Internet (Per le società multinazionali, scriva per favore sia l'indirizzo del sito della casa madre sia quello dell'organizzazione in Italia, se esistono siti separati.)	
4a	Anno di fondazione	
4b	Se ci sono fondatori ancora coinvolti nell'azienda, qual è il loro nome e il loro ruolo?	
4c	Nome del capo azienda	
4d	Titolo del capo azienda	
4e	In quale anno egli (ella) assunse quel ruolo?	
5b	**Tipo di organizzazione (indichi, delle informazioni che seguono, tutte quelle che si applicano alla sua azienda)**	
5a	Quotata in borsa	
5b	Di proprietà privata	
5c	C'è una sola persona o famiglia che possiede più di metà dell'azienda, indichi il suo nome.	
5d	Ci sono proprietari coinvolti attivamente nella gestione quotidiana dell'azienda, qual è il loro nome e il loro ruolo?	
5e	Partnership/Associazione	
5f	Senza scopo di lucro	
5g	Cooperativa	
5h	Agenzia governativa	

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5i	Filiale o divisione o con maggioranza posseduta da un'altra azienda con sede in Italia	
5j	In questo caso indichi il nome e l'indirizzo della casa madre	
5k	Posseduta interamente o per la maggior parte da un'azienda con sede in un Paese estero	
5l	In questo caso indichi il nome e l'indirizzo della casa madre	
5 m	In quali altri paesi dell'Unione Europea la sua azienda ha attività che impiegano almeno 50 dipendenti? (Per favore elenchi i Paesi ed il numero approssimativo di dipendenti per ogni Paese)	
6a	In quale settore (o settori) si collocano le attività di affari dell'azienda?	
6b	Per favore offra una breve descrizione delle attività principali della sua organizzazione	
6c	Quali sono i suoi prodotti/servizi principali?	
7	Numero di sedi all'interno del Paese (N.B.: una sede vuol dire qualsiasi struttura con almeno un dipendente o collaboratore che lavora, con l'eccezione di uffici a casa o virtuali)	
8a	Qual è stato il fatturato totale derivato dalle attività aziendali in Italia durante l'ultimo anno fiscale (in milioni di euro)?	
8b	Qual è stato il fatturato totale a livello mondiale durante l'ultimo anno fiscale (in milioni di euro)?	
8c	Quando termina l'anno fiscale (G/M/A)?	
	Cambiamenti più importanti	
9a	La sua azienda ha acquisito qualche società o si è fusa con altre società dal 30 giugno 2002?	
9b	Quali sono i nomi delle altre aziende coinvolte e quali le date di conclusione per ciascuna operazione?	
9c	Quanti dipendenti sono stati coinvolti con ogni azienda?	
9d	Se ci sono ancora fusioni o acquisizioni in corso, per favore descriva la situazione.	
9e	L'azienda ha avuto qualche cambiamento di proprietà o cessione di unità aziendali dal 30 giugno 2002?	
9f	Se si, quali unità aziendali sono state toccate e quanti dipendenti sono stati coinvolti in ciascuna.	
9g	La società ha avuto un piano di esuberi riducendo il numero dei dipendenti più del 5% durante gli ultimi 5 anni?	
9h	Se sì, per favore specifichi gli anni ed il numero di dipendenti coinvolti in ogni piano di esubero.	

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GREAT PLACE TO WORK®
INSTITUTE ITALIA

"Migliorare la Società, aiutando le aziende a trasformare il loro ambiente di lavoro"

	INFORMAZIONI DEMOGRAFICHE (Scriva solo il numero dei dipendenti in Italia, a meno che la domanda richieda altrimenti)			
	Numero dei dipendenti a tempo pieno:	TOTALE	UOMINI	DONNE
10a	Attualmente			
10b	12 mesi fa			
10c	24 mesi fa			
	Numero di dipendenti a tempo parziale:	TOTALE	UOMINI	DONNE
11a	Attualmente			
11b	12 mesi fa			
11c	24 mesi fa			
	Numero di dipendenti temporanei/a contratto	TOTALE	UOMINI	DONNE
12a	Attualmente			
12b	12 mesi fa			
12c	24 mesi fa			
13	Per le domande 10, 11, e 12, quale data usa per "attualmente"?			
14	Numero totale di dipendenti a tempo pieno ed a tempo parziale che lavorano per l'azienda fuori d'Italia:			
	Livello della mansione - Quanti dei dipendenti a tempo pieno ed a tempo parziale sono:	TOTALE	UOMINI	DONNE
15a	Personale di supporto/amministrativo			
15b	Addetti alla produzione/ai servizi			
15c	Specialisti/Tecnici			
15d	Capi di prima linea			
15e	Direttori/manager			
	Età: Dei dipendenti a tempo pieno ed a tempo parziale quanti hanno un'età:	TOTALE	UOMINI	DONNE
16a	Minore di 25 anni			
16b	Tra 26 e 34 anni			
16c	Tra 35 to 44 anni			
16d	Tra 45 to 54 anni			
16e	Da 55 in su			
	Anzianità di servizio: Dei dipendenti a tempo pieno ed a tempo parziale quanti sono in azienda da:	TOTALE	UOMINI	DONNE
17a	Meno di 2 anni			
17b	Tra 2 e 5 anni			
17c	Tra 6 e 10 anni			
17d	Tra 11 e 15 anni			
17e	Tra 16 e 20 anni			
17f	Oltre i 20 anni			
	Trattamento dei disabili Dei dipendenti a tempo pieno ed a tempo parziale quanti sono:	TOTALE	UOMINI	DONNE
18	Disabili psichici o fisici			

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	Etnia Dei dipendenti a tempo pieno ed a tempo parziale quanti:	TOTALE	UOMINI	DONNE
19a	Appartengono al gruppo etnico predominante in Italia			
19b	Non appartengono al gruppo etnico predominante in Italia			
	Dei direttori/manager quanti:	TOTALE	UOMINI	DONNE
20	Non appartengono al gruppo etnico predominante in Italia			
	Dei manager e capi di prima linea quanti:	TOTALE	UOMINI	DONNE
21	Non appartengono al gruppo etnico predominante in Italia			
	Dipendenti a tempo pieno che hanno lasciato l'azienda lo scorso anno:			
22a	Numero di dipendenti che hanno lasciato volontariamente l'azienda (escludendo i pensionati)			
22b	Numero di dipendenti che hanno lasciato in modo involontario l'azienda (escludendo gli esuberi)			
22c	Numero di esuberi			
22d	Numero di pensionati			
23	Quante richieste di impiego sono state ricevute l'anno scorso? (escludendo i dipendenti attuali)			
	REMUNERAZIONE E ALTRE FORME DI REDDITO			
24a	Qual è il titolo del ruolo o la mansione del gruppo più numeroso di dipendenti a tempo pieno?			
24b	Qual è la remunerazione annuale totale per un dipendente nel primo anno in questa posizione?			
25	E' stata fatta una valutazione sulla parità di remunerazione? (Valutazione formale sull'uguaglianza di trattamento economico tra uomini e donne)			
	FORMAZIONE/APPRENDIMENTO CONTINUO			
26a	In media, quante ore all'anno di formazione formale ricevono i dipendenti della famiglia professionale più numerosa?			
26b	Vengono elaborati piani di sviluppo delle competenze per i singoli dipendenti e per tutti i livelli di dipendenti?			
26c	L'azienda sovvenziona corsi di formazione non collegata al lavoro?			
26d	In caso affermativo, qual è l'importo massimo per dipendente?			
26e	Quante ore all'anno sono disponibili per tali corsi?			

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	EQUILIBRIO LAVORO/VITA PRIVATA	
27a	L'azienda offre un periodo di maternità, con diritto di conservazione del posto di lavoro, al di là del minimo garantito dalla legge[1] e dal contratto?	
27b	In caso affermativo, quanto tempo in più offre (in giorni)?	
27c	L'azienda paga un importo maggiore del minimo garantito per legge per il periodo di maternità?	
27d	In caso affermativo, per favore, specifichi l'ammontare e/o la percentuale di retribuzione data e la sua durata.	
28a	L'azienda offre la possibilità di lasciare il lavoro, con conservazione del posto, per i nuovi padri oltre il minimo garantito?	
28b	In caso affermativo, quanto tempo in più offre (in giorni)?	
28c	L'azienda offre ai nuovi padri, quando lasciano temporaneamente il lavoro, un importo maggiore e al di là di quanto stabilito per legge?	
28d	In caso affermativo, per favore specifichi l'ammontare e/o la percentuale di retribuzione data e la sua durata.	
29a	Per quanto tempo i dipendenti possono allontanarsi dal lavoro per occuparsi delle persone a loro carico (ad esempio, bambini, disabili, o membri anziani della famiglia)	
29b	Vi sono permessi di questo tipo retribuiti, come parte della politica dell'azienda?	
30a	La sua società offre benefici per la cura dei bambini sopra il minimo garantito?	
30b	In caso affermativo, elenchi brevemente per favore tali benefici.	
	Se la società offre alcune delle sistemazioni di lavoro seguenti, che percentuale di dipendenti se ne avvale?	
31a	Condivisione di posizione organizzativa	
31b	Orario flessibile	
31c	Orario di lavoro continuato	
31d	Part time	
31e	Telelavoro (Lavoro da casa)	
31f	Aspettativa non retribuita	
32a	L'azienda offre periodi sabbatici retribuiti?	
32b	In caso affermativo, chi può usufruirne?	
32c	Qual è la durata permessa?	

[1] I benefici previsti per legge in Italia per i dipendenti sono i seguenti: 2 mesi prima del parto e 3 mesi dopo a stipendio pieno. Fino all'anno a 50% dello stipendio, fino a 2 anni senza stipendio, ma con il mantenimento del posto di lavoro, permessi per allattamento - 1 ora la giorno fino a sei mesi - permessi retribuiti in caso di malattia. Questi benefici possono essere goduti sia dal padre che dalla madre

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	DIVERSITA'	
	La sua organizzazione ha un codice di condotta o altro tipo di politica scritta, con cui si impegna a combattere la discriminazione per ognuno dei seguenti motivi:	
33a	Origine etnica	
33b	Religione o convinzione	
33c	Trattamento dei disabili	
33d	Età	
33e	Orientamento sessuale	
34	Nella sua organizzazione c'è qualcuno nominato ufficialmente per combattere la discriminazione e promuovere la diversità?	
35	La sua organizzazione offre specifiche sistemazioni per dipendenti disabili oltre a quanto richiesto dalla legge[2]?	
36	La sua organizzazione offre modalità di lavoro flessibile per gli invalidi (es. orario di lavoro)?	
	GOVERNO DEL POSTO DI LAVORO	
	Che percentuale di dipendenti fa parte di:	
37a	Sindacati	
37b	Organismi di cogestione (se presenti)	
38a	Se l'organizzazione ha avuto una trasformazione positiva della sua cultura relativa al posto di lavoro nei 10 anni passati, in che anno sono iniziati i cambiamenti?	
38b	Se tale trasformazione ha avuto luogo, qual è il nome della persona (o delle persone) maggiormente responsabili di questo cambiamento?	

[2] Gli obblighi previsti per legge in Italia relativamente ai dipendenti disabili sono i seguenti: abbattimento delle barriere architettoniche; quote di assunzione per tipo di categorie protetta; inserimento in una mansione compatibile con il tipo di invalidità.

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Seconda parte - Politiche di gestione delle risorse umane

Vogliamo capire ciò che caratterizza la cultura e l'ambiente di lavoro della vostra organizzazione. Siamo particolarmente interessati a ciò che è speciale o esclusivo. Che cosa attrae le persone nella vostra organizzazione e fa sì che vogliano rimanervi? Che cosa potrebbe far sì che alcune persone non desiderino venire a lavorare qui?

Per avere una miglior comprensione della cultura della vostra azienda, vorremmo che rispondeste alle domande seguenti. Queste vi daranno l'opportunità di spiegare ciò che rende la vostra organizzazione differente dalle altre. Non ci sono risposte corrette o sbagliate. Vi chiediamo per favore di fornire descrizioni esaurienti e specifiche, che forniscano un'idea chiara di ciò che l'azienda fa.

DOMANDE

1. Vi sono benefici speciali od esclusivi che l'azienda fornisce, escludendo quelli obbligatori per legge, e includendo anche le diverse forme di remunerazione? Se si, quali sono e a quali livelli sono applicati?

2. In che forme specifiche la vostra azienda dimostra gratitudine o riconoscimento per il buon lavoro o per l'impegno extra dei suoi dipendenti?

3. Attraverso quali modalità l'azienda dimostra attenzione e rispetto per gli individui come persone, non solo come dipendenti?

4. Quali sono le forme e gli strumenti con cui l'azienda e i manager (in particolare i vertici aziendali) comunicano con i dipendenti, o si mettono a loro disposizione, su temi, quali obbiettivi strategici, missione, valori e cultura,?

5. Quali sono i motivi che rendono i dipendenti maggiormente orgogliosi di lavorare per la vostra azienda?

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6. Siamo interessati ad avere informazioni dettagliate sul tema delle opportunità di formazione/apprendimento continuo offerte ai dipendenti: formazione d'aula, training on the job, risorse informative, incentivi specifici, ecc... Quali opportunità di sviluppo professionale e/o non professionale hanno i dipendenti? Ci sono sovvenzioni per corsi o programmi all'esterno dell'azienda?

Nello specifico ci interessano le opportunità offerte a particolari gruppi di dipendenti (ad esempio: lavoratori anziani, donne, dipendenti con livelli professionali bassi).

7. Quali sono le modalità con cui l'azienda promuove l'equità di trattamento tra uomini e donne?. In particolare, siamo interessati alle forme specifiche attraverso le quali l'azienda:

- incoraggia le promozioni della popolazione femminile (specialmente in posizioni manageriali)
- evita di discriminare uomini e donne in base al trattamento retributivo
- incoraggia sia uomini che donne a trovare un equilibrio fra lavoro e vita privata.

8. Siamo interessati ad avere informazioni su politiche e modalità di gestione (esclusi quelli previsti per legge) attraverso cui l'azienda scoraggia discriminazioni sulla base di:

- razza o origine etnica, appartenenza religiosa o credenze personali
- trattamento dei disabili
- età
- orientamento sessuale

Come l'azienda promuove in modo attivo la valorizzazione delle diversità, in particolare per ciò che concerne la selezione e il mantenimento delle persone, le condizioni di lavoro, le promozioni e le prospettive di carriera?

9. Quali sono le modalità che la vostra azienda utilizza per fare in modo che i dipendenti siano coinvolti nelle decisioni che influenzano il loro lavoro o l'ambiente in cui operano?

10. Quali mezzi per farsi ascoltare sono a disposizione di un dipendente che si sentisse trattato ingiustamente?

11. Quali sono le forme attraverso le quali l'azienda fa in modo che il dipendente possa ricevere un "feedback" per il lavoro svolto?

12. In quali modi specifici la vostra azienda esercita forme di responsabilità sociale? Come i dipendenti vi sono coinvolti?

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13. In che maniera l'azienda favorisce un buon rapporto interpersonale tra i dipendenti? Esistono programmi di inserimento al momento dell'assunzione o di un cambiamento di area o di responsabilità?

14. Esiste nella vostra azienda qualcosa di esclusivo, o di speciale, che la renda un ambiente eccellente dove lavorare?

Di seguito sono riportate alcune affermazioni di principio. Le chiediamo gentilmente di indicarci in che misura la sua azienda mette in pratica ciascun principio avvalendosi della seguente scala:

1. *è un principio a cui l'azienda è contraria*
2. *è un principio sul quale l'azienda non ha ancora una posizione precisa*
3. *è un principio sul quale l'azienda si trova d'accordo ma la cui applicazione non raprresenta una priorità*
4. *è un principio che l'azienda condivide e cerca di applicare*
5. *è un principio fortemente condiviso che l'azienda applica curandone con attenzione l'implementazione*

- ❑ L'iter di selezione deve essere molto articolato e selettivo ☐
- ❑ I dipendenti devono essere ricompensati per I loro risultati ☐
- ❑ Le promozioni dall'interno devono essere favorite al massimo ☐
- ❑ Le mansioni devono essere definite in modo tale da consentire la massima autonomia ☐
- ❑ La sicurezza del posto di lavoro deve essere garantita ☐

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MATERIALE SUPPLEMENTARE

Per integrare le risposte, vi chiediamo di fare un elenco di materiali rappresentativi della cultura specifica della vostra azienda, che eventualmente potremmo richiedervi per avere delle esemplificazioni di ciò che caratterizza la cultura e l'ambiente di lavoro della vostra organizzazione.

La seguente lista riporta solo alcuni esempi di tali materiali:

- Informazioni sul business - es. Relazioni annuali; descrizione di prodotti/servizi; articoli sull'azienda.
- Storia dell'azienda, profilo dei fondatori e/o leader storici.
- Manuale di gestione del personale.
- Manuale del dipendente; descrizione dei benefici offerti.
- Descrizioni di visione e missione; slogan; filosofia aziendale
- Materiali e video di reclutamento e inserimento
- Mezzi di comunicazione interna: giornali, riviste, video
- Formazione manageriale, nella misura in cui si riferisce alla cultura aziendale.
- Descrizione/video di eventi speciali - celebrazioni, attività di volontariato
- Qualsiasi altro materiale che caratterizzi l'azienda e la sua cultura dell'ambiente organizzativo.

Dichiarazione di auto certificazione

Dichiaro che il campione è stato selezionato casualmente secondo le indicazioni da voi fornite nel documento "Indagine sulla qualità dell'ambiente organizzativo: istruzioni per l'azienda".

Dichiaro inoltre che i dati qui forniti sono corretti e assumo la piena responsabilità in relazione all'autenticità delle informazioni comunicate.

_____ _____

Luogo e Data Firma del responsabile

Nome:_____

Posizione:_____

Indirizzo:_____

_____

Telefono:_____

Fax:_____

E-mail: _____

Alcune definizioni di termini usati nel Questionario Azienda:

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⇒ ***Direttori e manager*** – sono i dipendenti che compongono i livelli manageriali più alti dell'azienda o si rapportano con questi (anche se con titoli differenti).

⇒ ***Capi di prima linea*** – sono i livelli di comando dell'organizzazione a diretto contatto con il personale esecutivo (anche se con titoli differenti).

⇒ ***Specialisti/Tecnici*** – sono i dipendenti senza responsabilità di comando che applicano capacità specialistiche nel loro lavoro. Esempi: venditori, progettisti, analisti di sistemi, analisti di mercato.

⇒ ***Personale di supporto/amministrativo*** – sono i dipendenti senza responsabilità di comando che lavorano in aree di appoggio o con incarichi di amministrazione. Esempi: segretarie, impiegati amministrativi.

⇒ ***Addetti alla produzione/ai servizi*** – sono gli addetti che eseguono direttamente le attività produttive dell'azienda, inclusi operai addetti alla produzione, operatori di sistemi informatici, cassieri di banca, operatori di call center ecc.

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APPENDIX 5.4

The HR managers' questionnaire – English version

GREAT PLACE TO WORK®
INSTITUTE ITALIA

"To building a better society, by helping companies transform their workplaces"

SURVEY 2002: CULTURE AUDIT©

GREAT PLACE TO WORK®

Please send us one Culture Audit copy on paper as well as a copy by e-mail (indagine@greatplacetowork.it) or by floppy disk.

Part One: Factual Questions

Part One of the Great Place to Work® Culture Audit© seeks factual-based information about areas such as ownership, employee demographics, and pay and benefit schemes. The questions are being asked to obtain a fuller understanding of your workplace. Your organsation will not be disadvantaged in our evaluations if you are unable to respond to some of the questions because your organisation does not collect the requested data.

INSTRUCTIONS
Please provide typed responses to the questions below. The table below was created in Microsoft Word 97 and should open in most mainstream word processing applications. Boxes in the right hand column will expand to suit your response

	GENERAL INFORMATION	INSERT RESPONSES IN THIS COLUMN:
1	Name of organisation	
2	Head office address (in Country)	
3	Website address (For multinational companies, please provide addresses for both the parent organisation and entity in COUNTRY if separate websites exist)	
4a	Year founded	
4b	If any founders are still involved in the company, what is/are their names and role(s)?	
4c	Name of head of organisation	
4d	Title of head of organisation	
4e	What year did he/she assume that role?	
	Type of organisation (indicate all that apply)	
5a	Publicly quoted	
5b	Privately held	
5c	If there is a single individual or family that owns more than half of the company, what is/are their name(s)?	
5d	If any of the controlling owner(s) is/are actively involved in the day-to-day management of the company, what is/are their name(s) and role(s)?	
5e	Partnership	
5f	Nonprofit	
5g	Co-operative	
5h	Governmental agency	
5i	Subsidiary or division or majority owned by	

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	another company based in COUNTRY			
5j	If so, please supply name and address of parent			
5k	Owned wholly or predominately by a foreign-based company			
5l	If so, please supply name and address of parent			
5m	In which other countries of the European Union does your company have operations employing at least 50 employees? (Please list the countries and the approximate number of employees in each country.)			
6a	In which industry (or industries) is your business?			
6b	Please provide a concise description of your organisation's primary business activities			
6c	What are your principal products/services?			
7	Number of sites within the COUNTRY (Note: a site is defined as any facility where at least one employee works, excluding home/virtual offices)			
8a	What were your total revenues (millions of euros) from operations in COUNTRY during the latest fiscal year?			
8b	What were your total worldwide revenues (millions of euros) in the latest fiscal year?			
8c	Fiscal year ends when? (DD/MM/YY)			
	Major changes			
9a	Has your company acquired any companies or merged with other companies since 30 June 2001?			
9b	What were the names of the other companies involved and the closing date(s) of each?			
9c	How many employees were involved with each company?			
9d	If there are any mergers or acquisitions still pending, please describe their status			
9e	Did the company divest or sell any units since 30 June 2001?			
9f	If yes, which units were affected and how many employees were involved with each?			
9g	Has the company had a redundancy programme that reduced the number of employees by 5% or more in the past 5 years?			
9h	If yes, please specify the year(s) and the number of employees involved in each redundancy			
	DEMOGRAPHIC INFORMATION (ONLY give figures for employees in COUNTRY unless otherwise requested)			
	Number of full-time employees:	TOTAL	MEN	WOMEN
10a	Now			
10b	12 months ago			
10c	24 months ago			
	Number of part-time employees:	TOTAL	MEN	WOMEN

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11a	Now			
11b	12 months ago			
11c	24 months ago			
	Number of temporary/contract employees	TOTAL	MEN	WOMEN
12a	Now			
12b	12 months ago			
12c	24 months ago			
13	For questions 10, 11, and 12, which date are you using for "now"?			
14	Total number of full-time and part-time employees who work for the company outside the COUNTRY:			
	Job levels: Of your full-time and part-time employees, how many are:	TOTAL	MEN	WOMEN
15a	Personale di supporto/amministrativo			
15b	Addetti alla produzione/ai servizi			
15c	Specialisti/Tecnici			
15d	Capi di prima linea			
15e	Direttori/manager			
	Age: For both full-time and part-time employees, how many are:			
16a	25 years of age or younger			
16b	26 to 34 years			
16c	35 to 44 years			
16d	45 to 54 years			
16e	55 or older			
	Length of service: For both full-time and part-time employees, how many have been with the company:			
17a	Less than 2 years			
17b	2 to 5 years			
17c	6 to 10 years			
17d	11 to 15 years			
17e	16 to 20 years			
17f	over 20 years			
	Disability: For both full- and part-time employees, how many are:			
18	Disabled/Handicapped			
	Ethnicity: For both full-time and part-time employees, how many are:			
19a	Predominant ethnic group of COUNTRY			
19b	Not part of predominant ethnic group of COUNTRY			
	Of the executives and senior managers, how many are:			
20	Not part of predominant ethnic group of COUNTRY			
	Of the managers and supervisors, how many are:			
21	Not part of predominant ethnic/racial group of COUNTRY			
	Departures among full-time employees in past			

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	year:	
22a	Number of voluntary departures (excluding retirements)	
22b	Number of involuntary departures (excluding redundancies)	
22c	Number of redundancies	
22d	Number of retirements	
23	How many people applied for jobs in the past year? (exclude current employees)	
	PAY AND OTHER FORMS OF INCOME	
24a	What is the job title or function of the largest group of full-time employees?	
24b	What is the annual pay for an employee for the first year in this position?	
25	Have you conducted an Equal Pay Audit?	
	TRAINING/LIFELONG LEARNING	
26a	On average, how many hours per year do the employees of the largest occupational group receive in formal job training?	
26b	Are individual employee development/competence plans drawn up for all levels of employees?	
26c	Does the company subsidise non-work-related courses?	
26d	If so, what is the maximum amount of investment for an employee?	
26e	How many hours away from work per year is allowed for such courses?	
	WORK/LIFE BALANCE	
27a	Do you offer job-protected maternity leave over and above the statutory minimum[1]?	
27b	If so, how much additional time (in days) do you offer?	
27c	Do you pay any amount for maternity leave in addition to the statutory minimum?	
27d	If so, please specify the amount and /or percentage of pay given and the duration?	
28a	Do you offer job-protected leave for new fathers over and above statutory minimum?	
28b	If so, how much additional time (in days) do you offer?	
28c	Do you pay any amount for paternity leave to new fathers above and beyond what is offered through pay related to statutory parental leave?	
28d	If so, please specify the amount and /or percentage of pay given and the duration?	
29a	How much time off are employees permitted to make necessary arrangements for the care of their dependants (e.g. children, disabled or	

[1]Italian law related to maternity leave requires 2 months before the birth and 3 months immediately after at full pay. An individual who continues parental leave receives 50% of his/her salary up to the child's first birthday and can continue, without salary (the job is protected), until the child is 2 years of age. During the child's first 6 months of life, an employee who returns to work is entitled to one hour per day for feeding the child. This time is compensated. These benefits are foreseen for fathers as well as mothers.

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	elderly family members)?	
29b	Is any of this time off paid as part of company policy?	
30a	Does the company provide child care benefits over and above the statutory minimum?	
30b	If so, please list such benefits briefly.	
	If the company offers any of the following work arrangements, what percentage of employees takes advantage of them?	
31a	Job-sharing	
31b	Flexitime	
31c	Compressed hours working	
31d	Part time	
31f	Working from home/telecommuting (Lavoro remoto)	
31g	Unpaid career break (Aspettativa non retribuita)	
32a	Does your organisation offer paid sabbaticals? (Periodi sabbatici retribuiti)	
32b	If so, who is eligible to participate?	
32c	What is the duration allowed?	
	DIVERSITY	
	Does your organisation have a code of conduct or other written policy setting out its commitment to combat discrimination on the grounds of each of the following:	
33a	Ethnic origin	
33b	Religion or belief	
33c	Disability	
33d	Age	
33e	Sexual Orientation	
34	Has someone in your organisation been appointed to combat discrimination and promote diversity?	
35	Does your organisation provide specific accomodations for disabled employees over and above what is required by law[2]?	
36	Does your organisation offer disabled people flexible work patterns (e.g. working hours)?	
	WORKPLACE GOVERNANCE	
	What percentage of your employees belong to:	
37a	Trade Unions	
37b	Works Council	
38a	If the organisation has undergone a positive transformation of its workplace culture within the past 10 years, what year did the change begin?	
38b	If such a transformation has taken place, what is the name of the individual (or individuals) most responsible for the change?	

[2] By Italian law, employers are required to eliminate architectural barriers, respect quotas for the various types of protected categories, and create a series of job responsibilities which are compatible with the employee's disability.

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GREAT PLACE TO WORK®
INSTITUTE ITALIA

"To building a better society, by helping companies transform their workplaces"

Part Two: Human Resources management policies and practices

We want to understand what is distinctive about your organization's workplace culture. We are particularly interested in what is special, unique or unusual about your organization. What attracts people to the organization and makes them want to stay? What might make some people want to avoid working there?

To gain more insight into your organization's culture, we would like you to answer the following questions. These questions will give you an opportunity to explain in more detail what sets your company apart. There are no correct or incorrect answers. Feel free to answer with brief bullet points or with extended essays. Or you may simply refer us to supplementary materials you provide. We are interested in the content of your responses, not the length or the style of them.

QUESTIONS FOR PART 2:

1. Does your organization have any special or unique benefits (including methods of compensation)?

2. What specific ways does your organization show appreciation and/or recognition for good work and extra effort?

3. How does your organization demonstrate its respect for the individual as a person, not just an employee?

4. What are the distinctive ways in which management (especially senior management) shares information with employees? How do they make themselves available for input from employees?

5. What are some specific reasons why employees feel proud to work for your organization?

6. We would like you to provide us with information about lifelong learning opportunities that you provide your employees. This would include formal, on-the-job training, informational resources, specific incentives, and opportunities employees have for professional and/or nonprofessional development, such as subsidies for off-site courses or programs?

   We are especially interested in opportunities provided for specific groups of employees (e.g. older workers, women, workers with lower levels of qualifications).

7. We would like you to provide us with information about how your organization promotes equality between women and men. In particular, we are interested in ways in which your organization:
   - Encourages women to advance professionally (especially into management positions)
   - Attempts to close the gender pay gap
   - Makes it easier for both men and women to reconcile their work lives with their family lives.

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8. We would like you to provide us with information about any policies and practices (beyond legal requirements) within your organization that discourage discrimination based on:
   - Racial or ethnic origin, religion or beliefs
   - Disability
   - Age
   - Sexual orientation

   How does your company actively promote the value of diversity with regard to recruitment, retention, working conditions, promotion, and career development?

9. In which way does your company involve employees in decisions which affect their job or workplace?

10. By which means can an employee who considers him/herself the object of some form of discrimination, receive a fair hearing on the grievance?

11. In which ways are employees provided feedback about their performance?

12. In which specific ways does your company apply its code of social responsibility?

13. How does your company facilitate good relations between employees? Are there any orientation program specifically designed for new hires or employees entering a new job?

14. Is there anything else that is unique or unusual about your organization that makes it a great place to work?

Below are listed a number of principles. We would like you to consider each in turn and indicate the extent to which the organization you work for supports the principle using the following categories:

1. *It is a principle the organization opposes*
2. *It is a principle about which our organization has no clear view*
3. *The organization would probably claim to support this principle but is unlikely to give it much priority in practice*
4. *It is a principle that the organization actively support and tries to practice*
5. *It is a principle the organization strongly supports, makes determined steps to practice and monitors to ensure its implementation*

❑ Selection procedures should be very difficult and selective	☐
❑ Employees should be rewarded for their results	☐
❑ Internal promotions should be preferred	☐
❑ Job tasks should be designed to maximize employees' autonomy	☐
❑ Employment security should be guaranteed	☐

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SUPPLEMENTARY MATERIALS

To supplement your responses, we encourage you to send along a variety of materials that will give us a sampling of different characteristics of your organization's culture. What follows is a list of the kind of items that we may find useful. The list is meant to offer suggestions. *Feel free to add or omit any of these items:*

- Information about the organization's business, i.e., Annual Reports; product/service descriptions; articles about the company
- Company histories; profiles of founders and/or influential leaders
- Values/mission statements; corporate slogans; corporate philosophy
- Recruiting and orientation materials and videos
- Employee handbooks; descriptions of benefits offered
- Employee communications: newsletters; internal videos
- Managerial training as it relates to the culture
- Descriptions/videos of special events — celebrations, volunteer activities
- Anything else that characterizes your organization's workplace culture

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APPENDIX 6.1

Correlations
Individual level analysis

Appendix 6.1 - Correlations between all main variables used in the individual level analysis

	mean	sd	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1. Size organisation	2.27	.67	1.00																													
2. Position	2.55	.286	-.091**	1.00																												
3. Sex	1.36	.48	.010	-.378**	1.00																											
4. Age	2.62	.95	-.028	.193**	-.120**	1.00																										
5. Tenure	3.15	1.73	.083**	.033	-.073**	.684**	1.00																									
6. Education	2.48	1.15	-.176**	.337**	-.014	-.100**	-.322**	1.00																								
7. Selection procedures	4.24	.61	-.091**	.033	-.080**	.013	-.049*	.007	1.00																							
8. Socialisation	.61	.48	-.045	.186**	-.121**	-.078**	-.159**	.221**	.074**	1.00																						
9. Training	2.48	1.96	-.114**	.282**	-.153**	-.076**	-.104**	.030	-.127**	.435**	1.00																					
10. Development plan	.60	.49	-.077**	.442**	-.167**	-.194**	-.291**	.209**	-.057*	.569**	.554**	1.00																				
11. Inside promotion	4,18	.51	-.031	.045	-.153**	-.078**	-.105**	.034	.316**	.414**	.282**	.264**	1.00																			
12. Employee rewards	3.80	.90	-.425**	.081**	-.204**	-.008	-.011	.132**	-.003	.297**	.358**	.146**	.413**	1.00																		
13. Benefit	.61	.48	-.275**	.249**	-.135**	-.024	-.144**	.266**	.005	.691**	.489**	.464**	.471**	.466**	1.00																	
14. Performance feedback	.41	.49	.091**	.385**	-.095**	-.090**	-.205**	.344**	-.033	.584**	.319**	.568**	.127**	.139**	.282**	1.00																
15. Job decision	.63	.48	-.276**	.079**	-.017	-.041	-.125**	.339**	.373**	.461**	-.118**	.233**	.122**	.148**	.146**	.364**	1.00															
16. Information sharing	.59	.49	.115**	.059*	-.026	-.128**	-.203**	.242**	.089**	.812	.351**	.460**	.531**	.247**	.569**	.696**	.409**	1.00														
17. Employment security	4.40	.49	-.720**	.031	-.126**	.015	-.025	-.007	.479**	-.127**	-.131**	-.013	.284**	.428**	.119**	-.311**	.253**	-.275**	1.00												
18. HRM11	.00	.58	-.305**	.291**	-.199**	-.107**	-.221**	.282**	.347**	.810**	-.530**	.668**	.657**	.566**	.731**	.580**	.524**	.760**	.262**	1.00											
19. Perc. manag. support	3.29	.79	-.202**	.222**	-.118**	.011	-.127**	.207**	.075**	.267**	.171**	.236**	.240**	.250**	.290**	.251**	.172**	.259**	.126**	.363**	1.00											
20. Perc. reward equity	2.86	.89	-.257**	.234**	-.125**	.037	-.134**	.212**	.100**	.229**	.148**	.182**	.242**	.286**	.268**	.198**	.191**	.223**	.178**	.349**	.775**	1.00										
21. Job complexity	3.46	.83	-.170**	.374**	-.204**	.096**	-.042	.298**	-.004	.153**	.141**	.258**	.125**	.123**	.264**	.214**	.062**	.122**	.065**	.237**	.466**	.386**	1.00									
22. Job discretion	3.64	.87	-.130**	.168**	-.041	.132**	.030	.118**	.026	.149**	.087**	.124**	.108**	.113**	.180**	.158**	.088**	.149**	.063**	.194**	.552**	.462**	.461**	1.00								
23. Job security	3.81	.89	-.138**	.110**	-.056*	.056*	-.009	.159**	.177**	.157**	-.005	.060*	.077**	.210**	.101**	.136**	.288**	.135**	.171**	.234**	.459**	.421**	.241**	.408**	1.00						
24. WE	3.41	.64	-.237**	.291**	-.143**	.089**	-.073**	.262**	.101**	.252**	.141**	.225**	.209**	.261**	.290**	.252**	.214**	.235**	.161**	.364**	.856**	.807**	.670**	.765**	.677**	1.00					
25. Job Satisfaction	3.57	.83	-.184**	.205**	-.073**	.094**	-.041	.160**	.059*	.170**	.091**	.137**	.159**	.168**	.207**	.163*	.132**	.175**	.105**	.243**	.724**	.663**	.492**	.603**	.456**	.777**	1.00				
26. OC	3.56	.81	-.206**	.136**	-.095**	.129**	-.004	.148**	.092**	.182**	.110**	.148**	.194**	.182**	.248**	.145**	.128**	.166**	.145**	.327**	.733**	680**	.494**	.540**	.448**	.765**	.782**	1.00			
27. Trust in management	3.23	.83	-.204**	.204**	-.078**	-.003	-.141**	.173**	.086**	.225**	.144**	.185**	.222**	.272**	.241**	.194**	.165**	.216**	.154**	.270**	.843**	.736**	.325**	.478**	.468**	.753**	.660**	.670**	1.00		
28. Intention to stay	3.43	1.08	-.067**	.072**	-.088**	.349**	.291**	-.116**	.135**	.032	-.001	-.092**	.059*	.114**	.022	-.022	.077**	.012	.103**	.068**	.431**	.418**	.230**	.380**	.355**	.481**	.592**	.578**	.660**	1.00	
29. In-role performance	3.55	.73	-.116**	.203**	-.090**	.083**	-.044	.152**	.014	.116**	.074**	.135**	.095**	.116**	.144**	.146**	.063**	.111**	.059*	.167**	.641**	.526**	.549**	.550**	.403**	.704**	.648**	.638**	.542**	.414**	1.00	
30. IB/OCB	3.78	.70	-.213**	.300**	-.110**	.095**	-.007	.279**	.022	.112**	.098**	.200**	.116**	.095**	.234**	.146**	.068**	.075**	.105**	.198**	.380**	.324**	.640**	.361**	.214**	.505**	.428**	.453**	.291**	.198**	.520**	1.00

APPENDIX 6.2

Correlations
Aggregate level analysis

Appendix 6.2 - Correlations between all main variables used in the aggregate level analysis

	mean	sd	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1. Selection procedures	3.98	1.01	1.00																										
2. Socialisation	.56	.499	.330*	1.00																									
3. Training	2.48	2.07	.212	.289*	1.00																								
4. Development plan	.60	.492	.304*	.508*	.621*	1.00																							
5. Inside promotion	4.10	.484	.182	.260*	.229	.175	1.00																						
6. Employee rewards	4.01	.927	-.279*	.054	.224	-.023	.348**	1.00																					
7. Benefit	.70	.458	.064	.587**	.373**	.410**	.296*	.424**	1.00																				
8. Performance feedback	.39	.493	.258	.563**	.204	.445**	.265*	-.015	.212	1.00																			
9. Job decision	.49	.504	.325*	.453**	-.016	.104	.144	-.019	.039	.317*	1.00																		
10. Information sharing	.50	.504	.325*	.661**	.168	.320	.503**	-.019	.341**	.811**	.380**	1.00																	
11. Employment security	4.50	.504	-.017	-.174	-.050	-.104	.144	.544**	.190	-.318*	-.035	-.379**	1.00																
12. AHRM11	.00	.540	.455**	.763**	.548**	.633**	.596**	.377**	.662**	.630**	.453**	.692**	.135	1.00															
13. F.1 Integration	.00	.886	.343**	.837**	.249	.479**	.386**	.008	.429**	.893**	.432**	.930**	-.328*	.784**	1.00														
14. F2 Rewards	.00	.702	-.018	.259*	.276*	.163	.636**	.824**	.680**	.051	.046	.159	.668**	.630**	.176	1.00													
15. F3 Training & Dev.	.00	.900	.287*	.443**	.900**	.900**	.224	.112	.434**	.361**	.049	.271*	-.086	.655**	.404**	.244	1.00												
16. Perc. manag. support	3.38	.427	.190	.450**	.294	.398**	.479**	.428**	.520**	.525**	.243	.482**	.283*	.722**	.548**	.609**	.384**	1.00											
17. Perc. reward equity	2.96	.536	.080	.275*	.233	.246	.486**	.435**	.422**	.396**	.197	.376**	.327*	.584**	.393**	.595**	.266*	.925**	1.00										
18. Job complexity	3.66	.467	.047	.143	.223	.436**	.168	.054	.310	.299*	-.049	.131	.100	.313*	.215	.225	.366**	.617**	.613**	1.00									
19. Job discretion	3.77	.398	.164	.319*	.089	.293*	.218	.096	.373**	.432**	.085	.369**	.150	.435**	.421**	.298*	.212	.788**	.727**	.722**	1.00								
20. Job security	3.82	.426	.461**	.343**	.112	.175	.181	.166	.253	.246	.526**	.257	.173	.487**	.319*	.276*	.159	.538**	.492**	.400**	.545**	1.00							
21. AWE	3.52	.380	.214	.357**	.230	.366**	.372**	.289*	.447**	.448**	.234	.381**	.251	.604**	.446**	.484**	.331*	.922**	.903**	.798**	.891**	.696**	1.00						
22. Job Satisfaction	3.68	.428	.131	.261*	.084	.192	.327*	.308*	.402**	.337**	.126	.321*	.317*	.472**	.346**	.428**	.153	.866**	.873**	.658**	.820**	.578**	.903**	1.00					
23. OC	3.68	.392	.226	.372**	.218	.298*	.386**	.290*	.543**	.328*	.167	.336**	.320*	.586**	.390**	.548**	.286*	.887**	.860**	.691**	.800**	.634**	.921**	.903**	1.00				
24. Trust in management	3.31	.414	.121	.316*	.265*	.249	.459**	.478**	.402**	.307*	.291*	.296*	.329*	.591**	.346**	.594**	.285*	.848**	.849**	.479**	.604**	.571**	.802**	.747**	.769**	1.00			
25. Intention to stay	3.46	.467	.490**	.316*	.165	.084	.206	.137	.184	.100	.223	.167	.199	.383**	.219	.259*	.138	.489**	.441**	.266*	.415**	.625**	.526**	.572**	.611**	.450**	1.00		
26. In-role performance	3.66	.320	.126	.269*	.063	.311*	.151	.142	.354**	.361**	-.008	.245	.154	.365**	.329*	.285*	.208	.737**	.681**	.808**	.858**	.562**	.862**	.831**	.806**	.522**	.442**	1.00	
27. IB/OCB	3.99	.343	-.010	.097	.144	.334*	.114	.089	.333*	.132	-.039	-.032	.204	.230	.074	.264*	.265*	.577**	.585**	.876**	.648**	.363**	.727**	.625**	.690**	.567**	.235	.737**	1.00